



STRENGTHENING TIES WITHIN THE GOCC SECTOR AND BEYOND



2017 ANNUAL REPORT



About the Cover:

Taking a cue from the words of President Duterte during his Official Working Visit in Tokyo, Japan in October 2016 that both countries can take things to a higher level by harnessing their respective strengths for the growth of both economies, the Governance Commission took on a proactive role in creating a venue where key officials from Japan and select GOCCs can meet and share their business operations and interests, in the hopes of forging a constructive dialogue and fruitful cooperation in the future. The cover shows GCG Chairman Samuel G. Dagpin, Jr. welcoming the President and CEO of JASA Corporation, Mr. Yoshitaka Kitaguchi, to the 2017 Meeting with Key Officials from Japan.



2017
ANNUAL
REPORT



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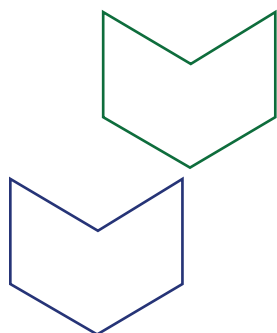
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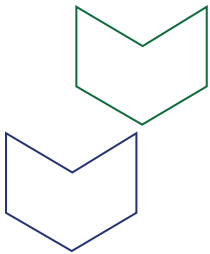
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GOCC SECTOR FINANCIAL SUMMARIES





MESSAGE OF THE CHAIRMAN



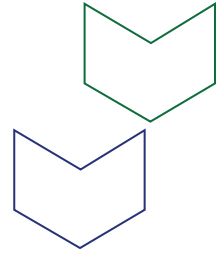
THE GOVERNANCE COMMISSION IS COMMITTED TO STRENGTHENING ITS TIES WITH INSTITUTIONS THAT SHARE A SIMILAR VISION OF CHANGING THE GOCC SECTOR INTO A SIGNIFICANT TOOL IN FURTHER ENHANCING ECONOMIC GROWTH AND DEVELOPING THE NATION.



As the central advisory, monitoring, and oversight body with the authority to formulate, implement, and coordinate policies for GOCCs, the Governance Commission continues to serve its purpose by ensuring compliance and maintaining excellence, efficiency, and good governance in the GOCC Sector. Six (6) years since its founding, the GCG remains committed in upholding the State's policy that the governance of GOCCs shall be carried out in a transparent, responsible, and accountable manner, and with utmost degree of professionalism and effectiveness.

As the State recognizes the potential of GOCCs as significant tools for economic development, the Governance Commission continues to strive for excellence within the GOCC Sector by pushing the boundaries of performance and governance.

MESSAGE OF THE CHAIRMAN



In 2017, the GCG has reduced the number of GOCCs from 158 in 2011 to 123. Since 2012, 24 GOCCs have been reorganized/rationalized allowing them to more efficiently and effectively pursue programs covered by their mandates, and improve their performance. The Governance Commission has also initiated change in the GOCC Sector by streamlining it in order to enable the national government to prevent incurrence of further losses.

As commitment to the Philippine Open Government Partnership (PH-OGP), the GCG has developed a standardized methodology of measuring and monitoring the satisfaction levels of respective customers of GOCCs in support of the country's broader efforts to promote transparency, empower citizens, fight corruption, and harness new technologies to strengthen governance. Adherence to such guidelines by the GOCCs will yield quality research output from which the Governance Commission and GOCCs can obtain more actionable insights aimed for the continual improvement of their service delivery.

Recognizing the need to further study and review the Compensation and Position Classification System (CPCS) of GOCCs, the GCG proposed Executive Order (E.O.) No. 36 to set an interim measure for the compensation framework of GOCCs covered by R.A. No. 10149. This is in line with the President's thrust to further eliminate

ill practices in government such as the grant of irregular, unnecessary, excessive, extravagant and unconscionable allowances, incentives, benefits, and/or bonuses in the GOCC Sector.

To ensure the alignment and consistency of the GOCCs' operations with the national development policies and programs, the Governance Commission regularly reviews its existing circulars and policies in keeping with its mandate to result to a more efficient and effective integration of programs, activities and priorities of the GOCCs. In 2017, the GCG issued Memorandum Circulars on Interim Performance-Based Bonus (PBB) and Interim Performance Evaluation System (PES) for the GOCC Sector pursuant to the directive of the Administration to streamline processes.

The Governance Commission is committed to strengthening its ties with institutions that share a similar vision of changing the GOCC Sector into a significant tool in further enhancing economic growth and developing the nation. In 2017, from working closely with other National Government Agencies and local organizations, the GCG has further developed its partnerships to reach and exchange knowledge with international bodies such as the Korean Railroad Corporation (KORAIL), the Organisation for Economic Co-operation and Development (OECD), the International Cooperation Center of National Development



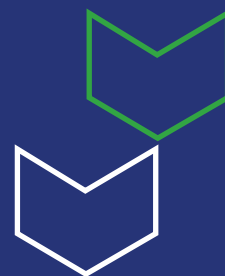
and Reform Commission (NRDC) and the State-Owned Assets Supervision and Administration Commission (SASAC) of the People's Republic of China (PRC).

It is with great honor and pleasure to present the achievements of the Governance Commission through this 2017 Annual Report. Behind the success of this memento and the accomplishments of the Commission are the men and women of GCG who work with passion and vigor to perform our mandate while facing

the challenges inherent in government service. Moving forward, the Governance Commission will strive further to promote good governance, continue its drive to improve the GOCC Sector, and maintain harmonious relationships with all of its stakeholders.

Thank you and looking forward to another successful year of GCG!

GOCC QUICK REVIEW



GOCCs IN NUMBERS

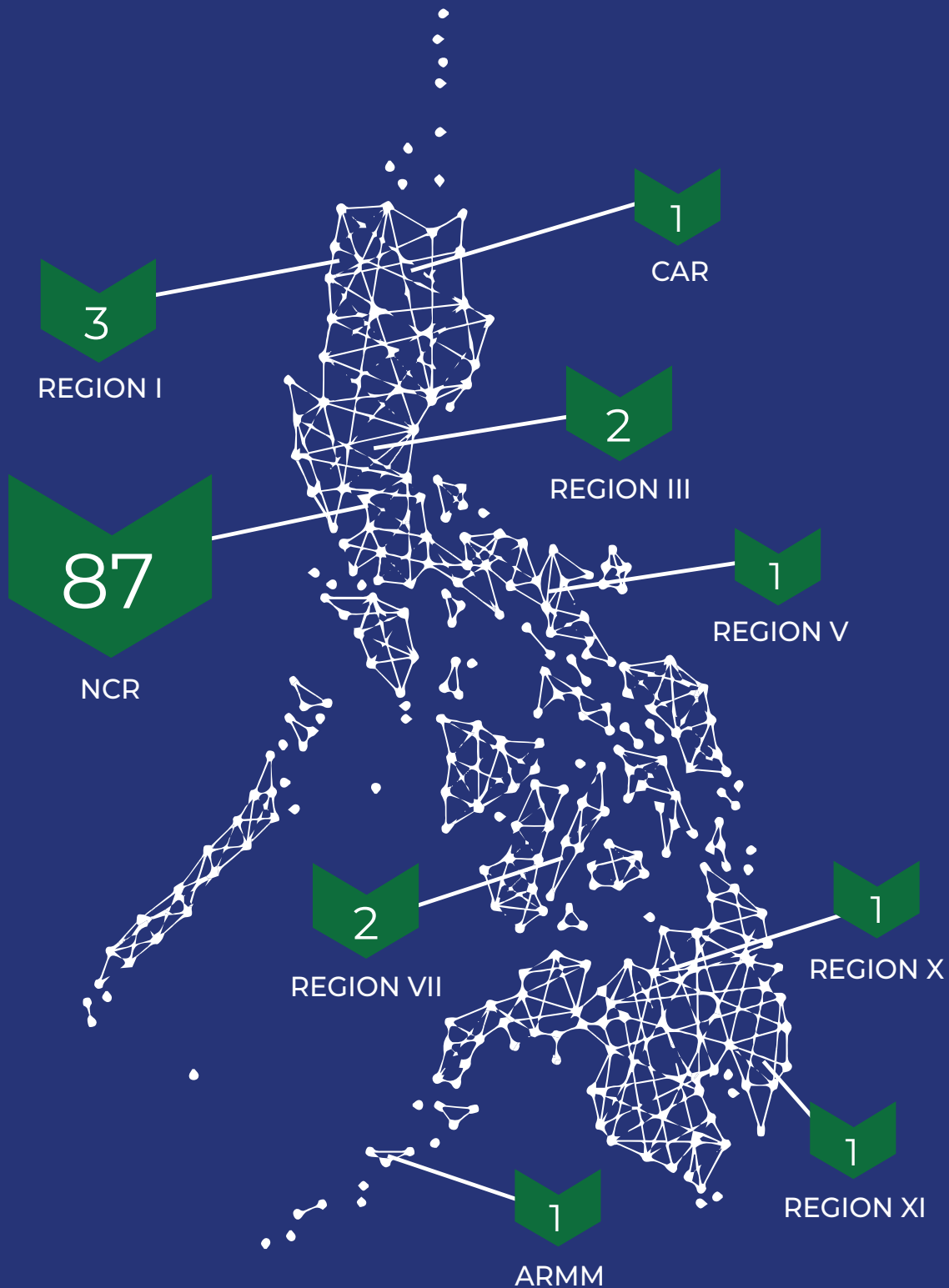
Sector	No. of GOCCs
Government Financial Institutions	27
Trade, Area Development and Tourism	20
Educational and Cultural	6
Gaming	2
Energy and Materials	13
Agriculture, Fisheries, and Food	17
Utilities and Communications	18
Healthcare Services	1
Realty / Holding Companies	19
TOTAL CURRENT COVERAGE	123
GOCCs Approved for Abolition	27
GOCCs Approved for Privatization	3
GOCCs Declared Inactive/ Non-Operational	23

GOCCs APPROVED FOR ABOLITION/PRIVATIZATION IN 2017

GOCC	Dispositive Action	Reason	Benefit to the PH
Quezon & Rural Credit Guarantee Corporation (QUEDANCOR)	Abolition (approved by the President on 28 June 2017)	<ul style="list-style-type: none"> ✎ Dormant or nonoperational; ✎ Performs functions or purposes that duplicate or unnecessarily overlap functions, programs, activities, or projects already provided by a government agency; and ✎ Not producing the desired outcomes, or no longer achieving the objectives and purposes for which it was originally designed and implemented, and/or not cost efficient and does not generate the level of social, physical and economic returns vis-à-vis the resource inputs. 	<ul style="list-style-type: none"> ✎ Efficiency as guarantee functions will be better carried out by other Government Agencies/Corporations; ✎ Further deterioration of its net worth will cease; and ✎ Estimated average annual savings to the government of ₱830 million, representing Personnel Services, MOOE and financing costs of the corporation.
Philippine Postal Bank (PostBank)	Acquisition by Land-Bank (approved by the President on 28 September 2017)	<ul style="list-style-type: none"> ✎ There is a need to establish a bank dedicated to provide financial products and services tailored to the requirements of overseas Filipinos, and focused on delivering quality and efficient foreign remittance services; ✎ The functions and purposes of which PostBank was created are no longer consistent with the national development policy of the State; and ✎ Cabinet Action/Directive from the Cabinet Secretary to initiate the acquisition and conversion of PostBank. 	<ul style="list-style-type: none"> ✎ There is a need to establish a bank dedicated to provide financial products and services tailored to the requirements of overseas Filipinos, and focused on delivering quality and efficient foreign remittance services; ✎ Consolidate Philippine Banking Industry will make the financial sector stronger; Land Bank will be able to utilize PostBank's and Philpost's network in expanding its banking operations to underbanked areas; and ✎ Establishment of a stand-alone bank for migrant workers is expected to strengthen government's presence in the remittance market and eventually influence lower costs of bank remittance.



NUMBER OF GOCC HEAD OFFICES PER REGION



The background is an aerial photograph of a city skyline, featuring a prominent skyscraper under construction with green scaffolding on the left. The sky is blue with light clouds. Overlaid on the image are several white geometric shapes, including triangles and polygons, some of which are nested or overlapping. A large, solid blue diagonal shape covers the bottom right portion of the image, serving as a background for the title and quote.

RATIONALIZING THE GOCC SECTOR

"Since 2012, 24 GOCCs have been reorganized/rationalized, merged, and streamlined allowing them to more efficiently and effectively pursue programs."



RATIONALIZING THE GOCC SECTOR

The Governance Commission has reduced the number of GOCCs from 158 in 2011 to 123¹ in 2017 through abolition or privatization of poor performing or non-performing GOCCs.

2017 saw the approval of the abolition of Quedan & Rural Credit Guarantee Corporation

(QUEDANCOR), bringing the total number of GOCCs under abolition to 27, and enabling the national government to prevent incurrence of further losses amounting to ₱1.671 billion.

In addition, 24 GOCCs have been reorganized/ rationalized since 2012, merged and streamlined

GOCCs IN NUMBERS

Sector	No. of GOCCs
Government Financial Institutions	27
Trade, Area Development and Tourism	20
Educational and Cultural	6
Gaming	2
Energy and Materials	13
Agriculture, Fisheries and Food	17
Utilities and Communications	18
Healthcare Services	1
Realty / Holding Companies	19
TOTAL	123

¹ In 2017, 21 GOCCs were added under GCG jurisdiction including the Philippine Tax Academy (PTA), the Coconut Industry Investment Fund Oil Mills Group (CIIF-OMG), the CIIF Holding Companies, and the UCPB subsidiaries to the Governance Commission.

allowing them to more efficiently and effectively pursue programs covered by their mandates, and improve their performance.

The evaluation and final disposition of applications by GOCCs for rationalization/reorganization remain the top priority of the Governance Commission since its constitution in 2011. Such rationalizations/reorganizations are meant to empower the GOCCs to have a manpower complement that is more responsive to the needs of their corporation, allow them to more efficiently and

effectively pursue programs covered by their mandates, and improve their performance as a GOCC.

“**GOCCs HAVE BEEN
REORGANIZED/
RATIONALIZED, MERGED
AND STREAMLINED**”



NAYONG PILIPINO FOUNDATION (NPF)

On 06 November 1972, the Nayong Pilipino Foundation (NPF) was created by the virtue of Presidential Decree (P.D.) No. 37, to “establish parks and recreation centers for the promotion of the tourism in this country”, among other purposes. In fulfillment of its mandate, NPF established and operated a cultural and tourist-oriented theme park in Pasay City. Its operations ceased with the issuance of Executive Order (E.O.) No. 111 in 2002, which directed the transfer

of the 8.6-hectare land of its Pasay Park to the Manila International Airport Authority (MIAA), likewise, ordering the closure of the said park. Consequently, NPF’s organizational structure was streamlined in 2003, through E.O. No. 135, into a skeletal transition team composed of eight (8) positions created by the Department of Budget and Management (DBM), designed to be responsible in performing interim functions such as preserving assets and finalizing

arrangements when re-development of park/s materializes.

Four (4) years after the closure of its Pasay Park, the Clark Development Corporation (CDC) leased NPF its 5.8-hectare land located at Clark Expo Site which was developed as a park (NP Clark), and is currently operated by NPF. Aside therefrom, NPF also manages a satellite facility in Rizal Park (NP Rizal), formerly known as Orchidarium, which is also used as an interim head office facility. The two (2) facilities were manned by a total of 143 personnel, which consisted mainly of Job Order (JO) or Contract of Service (CoS) personnel, along with the eight (8) plantilla employees.

In 2016, a Public-Private Partnership (PPP) project for the development and management of a park at Entertainment City (to be known as the New Nayong Pilipino) with an economic life of twenty-three (23) years (including construction), was approved by the National Economic and Development Authority (NEDA) amounting to ₱1.47 billion. Confronted by operational gaps and inefficiencies ensuing from operating in a limited manpower given the extensive work of managing two (2) parks, and entwined with a new directive to manage another park, NPF saw the need to reorganize its current workforce

structure. Hence, NPF submitted its proposed reorganization plan (RP) to the Governance Commission, followed by its endorsement from NPF's supervising agency, the Department of Tourism (DoT).

Through GCG Memorandum Order (M.O.) No. 2017-01 dated 24 February 2017, the Governance Commission approved the RP of NPF. From the DBM-approved core group of eight (8) plantilla

positions performing interim functions since 2003, the NPF Organizational Structure and Staffing Pattern (OSSP) has been augmented to twelve (12) organizational units and thirty-one (31) plantilla positions. It is designed to support its core business and operations, which is mainly to operate and maintain the NP Clark and NP Rizal parks. Critical roles to perform the required functions for park operations include development of

attractions, creation of cultural programs, sales and marketing, and facilities management. Also, taking into account the development of the New Nayong Pilipino at Entertainment City by 2021, NPF will likewise assume overall supervision of its operations, monitoring of private partner's compliance with the key performance indicators under the contract, and business development and data management.

“ **THE GCG APPROVED
THE RATIONALIZATION
OF NPF AUGMENTING
ITS MANPOWER
COMPLEMENT TO
SUPPORT ITS CORE
BUSINESS AND
OPERATIONS.** ”





GOCC FINANCIAL LANDSCAPE

"The total net worth of the entire GOCC Sector marginally grew by ₱52.89 billion or 1.64% from 2016."



The total assets of the GOCC Sector had a net increase of ₱709.16 billion, or 10.33% from 2016 with about 73% of GOCCs reporting an increase in total assets as of the end of 2017.

In terms of absolute amount, GOCCs under the Utilities and Communications Sector had the biggest downward change

**“ INCREASE
OF ₱292.46
BILLION IN
TOTAL ASSETS ”**

amounting to ₱63.79 billion, primarily brought about by the ₱136.03 billion decrease in the total assets of the National Irrigation Administration (NIA). Such decrease in NIA's total assets was due to the reporting differences in the consolidation of its books. Nonetheless, the net increase in 2017 in the total assets of the entire GOCC Sector was leveraged by

TOTAL ASSETS OF THE GOCC SECTOR

 GOCC Sector	 2016 (in ₱ Million)	 2017 (in ₱ Million)	 Change
Government Financial Institutions	4,365,868.47	4,821,399.24	10.43%
Trade, Area Development and Tourism	329,419.33	379,867.22	15.31%
Educational and Cultural	2,806.53	3,743.73	33.39%
Gaming	50,175.72	61,176.83	21.93%
Energy and Materials	1,271,356.76	1,231,037.94	-3.17%
Agriculture, Fisheries and Food	52,996.72	348,362.99	557.33%
Utilities and Communications	791,700.12	727,910.53	-8.06%
Realty/Holding Companies	188.65	173.52	-8.02%
TOTAL	6,864,512.30	7,573,672.00	10.33%

substantial increases mainly from the continued growth and expansion of government banks and social security institutions amounting to ₱455.53 billion, as well as a surge increase of ₱292.46 billion in total assets of the Agriculture, Fisheries and Food Sector brought about by the recognition and recording of Intra-Agency Receivables of the National Food Authority (NFA) in accordance with the prescribed financial reporting of the Commission on Audit (COA). Collectively, the Government Financial Institutions Sector accounts for 63.66% of the total assets of the GOCC Sector at ₱4.82 trillion.



LIABILITIES

On the other hand, liabilities totaled at ₱4.30 trillion in 2017, representing a 17.72% net increase from the previous year. Most of the total liabilities come from the Government Financial Institutions Sector with 56%, and the Energy and Materials Sector with 23% of the 2017 year-end balance. Except for the Utilities and Communications and the Realty/Holding Companies Sectors, all other Sectors had reported an increase in total liabilities, resulting in a net upward change of ₱647.11 billion for the year.

In terms of percentage and absolute amount, the Agriculture, Fisheries and Food Sector

“ LIABILITIES
TOTALED
AT ₱4.30
TRILLION IN
2017 ”

reported the biggest increase at 167.78% and ₱299.28 billion, respectively. Such increase in the Sector's liabilities is mainly due to the recognition and recording of Intra-Agency Payables of NFA during the year, which is also in accordance with COA-prescribed financial reporting. Conversely, for the GOCCs reporting a decline in their total liabilities, the biggest decreases in terms of absolute amounts are from the Government Service Insurance System (GSIS) and National Electrification Administration (NEA) at ₱3.95 billion and ₱3.49 billion, respectively.

TOTAL LIABILITIES OF THE GOCC SECTOR

 GOCC Sector	 2016 (in ₱ Million)	 2017 (in ₱ Million)	 Change
Government Financial Institutions	2,109,911.19	2,390,886.60	13.32%
Trade, Area Development and Tourism	96,983.66	115,787.83	19.39%
Educational and Cultural	797.97	972.54	21.88%
Gaming	33,056.60	38,153.01	15.42%
Energy and Materials	920,743.93	969,311.70	5.27%
Agriculture, Fisheries and Food	178,379.29	477,660.52	167.78%
Utilities and Communications	311,890.99	306,110.33	-1.85%
Realty/Holding Companies	45.68	35.05	-23.27%
TOTAL	3,651,809.32	4,298,917.59	17.72%

NET WORTH

The total net worth of the entire GOCC Sector marginally grew by ₱52.89 billion or 1.64% from 2016. It is highlighted that the changes in the Government Financial Institution (GFI) Subsector weighs in the most as it constitutes 74.22% of total net worth of the entire GOCC Sector. However, the 7.3% improvement in net worth of the GFI

Sector is significantly negated by the decrease in the Energy and Materials, and Utilities and Communications Sectors, specifically, the National Transmission Corporation (TRANSCO), Power Sector Assets and Liabilities Management Corporation (PSALM), and National Irrigation Administration (NIA).




On the other hand, the net worth of the Civil Aviation Authority of the Philippines (CAAP) under the Utilities and Communications Sector almost tripled from ₱24.63 billion in 2016 to ₱78.42 billion in 2017. Other GOCCs with notable increase in net worth are Government Service Insurance System (GSIS), Home Mutual Development Fund (Pag-IBIG), Social Security System (SSS), Philippine Deposit Insurance Corporation (PDIC), Al-Amanah Islamic Investment Bank of the Philippines (AIIBP), and Land Bank of the Philippines (LandBank).

“

**NET WORTH GREW
BY ₱52.89 BILLION
FROM 2016**

”

TOTAL NET WORTH OF THE GOCC SECTOR

 GOCC Sector	 2016 (in ₱ Million)	 2017 (in ₱ Million)	 Change
Government Financial Institutions	2,265,118.45	2,430,512.64	7.3%
Trade, Area Development and Tourism	232,435.67	264,079.39	13.61%
Educational and Cultural	2,008.55	2,771.19	37.97%
Gaming	17,119.11	23,023.82	34.49%
Energy and Materials	350,612.83	261,726.24	-25.35%
Agriculture, Fisheries and Food	(125,382.57)	(129,297.52)	3.12%
Utilities and Communications	479,809.14	421,800.20	-12.09%
Realty/Holding Companies	142.97	138.47	-3.15%
TOTAL	3,221,864.15	3,274,754.41	1.64%

NET LENDING

Net lending refers to the advances made by the National Government (NG) for the servicing of guaranteed and re-lent domestic and foreign borrowings of GOCCs.

Records from the Bureau of Treasury

**“ NET LENDING
OF GOCC IN 2017
HAS DECREASED
BY 1% ”**

shows that net lending of GOCCs in 2017 decreased by 1% from last year. This can be attributed to the decrease in NG advances of the Power Sector Assets and Liabilities Management (PSALM) and the National Electrification Administration (NEA) amounting to ₱9.35 billion and ₱2.91 billion, respectively. However, there are some GOCCs with notable increase in their NG advances, such as the National Food Authority (NFA) amounting to ₱6.08 billion.



COMPREHENSIVE INCOME

The adjusted comprehensive income is used for this report to show a better measure of the financial performance of the GOCCs. This normalizes the earnings by removing the effects of subsidies, unrealized gains and losses, and income from subsidiaries. The adjusted comprehensive income of the GOCC Sector increased by 11% from ₱163.68 billion in 2016 to ₱181.86 billion in 2017. While the comprehensive income of some of the GOCC Sectors declined, the over-all increase was driven by several Sectors namely: Government Financial Institutions (13%),

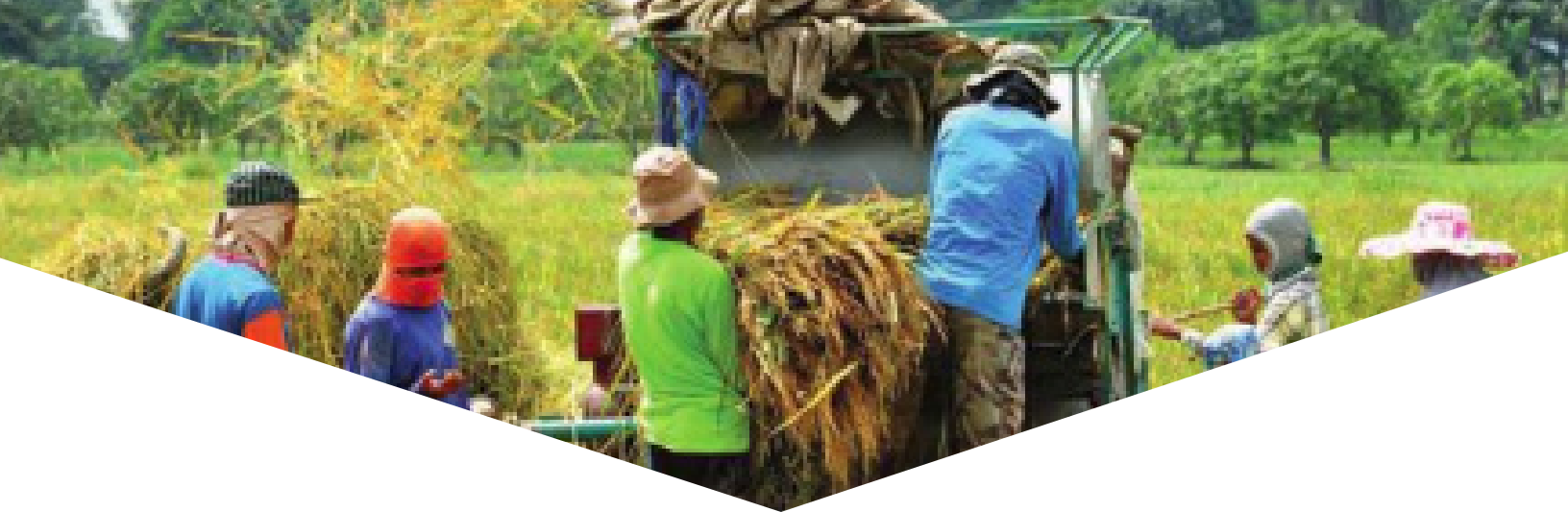
Trade, Area Development and Tourism (65%), Gaming (32%), Agriculture, Fisheries and Food Sector (131%) and Realty/Holding Companies (337%). Among the biggest contributors in the growth in the 2017 comprehensive income were the Philippine Crop Insurance Corporation (PCIC) which increased by 657%, the Clark Development Corporation (CDC) by 232%, the Philippine National Construction Corporation (PNCC) by 291% and the Kamayan Realty Corporation (KRC) by 530%.

There was also a notable improvement in the adjusted comprehensive income of the Food Terminal, Inc. (FTI) with an increase of 1008% which is attributed to the sale of 3.45 hectares of FTI property to the Department of Transportation (DOTr) for the Government's Integrated Transport System (ITS) Project in the amount of ₱2.58 billion. Meanwhile, the Bases Conversion Development Authority (BCDA) was able to turn around from its ₱720 million losses in 2016 to a gain of ₱655 million in 2017.



ADJUSTED COMPREHENSIVE INCOME OF THE GOCC SECTOR

 GOCC Sector	 2016 (in ₱ Million)	 2017 (in ₱ Million)	 Change
Government Financial Institutions	140,984.01	159,644.03	13.2%
Trade, Area Development and Tourism	2,585.14	4,209.30	62.8%
Educational and Cultural	(439.97)	(375.81)	14.6%
Gaming	7,560.99	10,017.08	32.5%
Energy and Materials	(8,165.52)	5,403.21	166.2%
Agriculture, Fisheries and Food	(2,204.23)	(3,164.49)	-43.6%
Utilities and Communications	23,353.65	6,100.16	-73.9%
Realty/Holding Companies	6.26	27.39	337.4%
TOTAL	163,680.34	181,860.89	11.1%



SUBSIDIES

There is a need to correct the perception of the public on subsidies as the term *subsidy* has been equated to the underperformance of agencies, or its inability to cover its operating expenses resulting in the incurrence of corporate deficits and losses. While this may be true in some cases, it should be noted that about 98% of subsidies released to GOCCs are program or project funds. Program or project funds are finances coursed through GOCCs to more efficiently implement specific projects or programs in the fulfillment of the vision of the National Government. Thus, any movement in the amounts of government subsidies could not be considered as an accurate measure of the performance—financial or otherwise—of GOCCs.

Program funds given to GOCCs have different intent and purpose depending on the priority of the government. These can be used to implement infrastructure projects; as in the case of infrastructure projects implemented by the National Irrigation Administration (NIA) and the National Housing Authority (NHA). In 2016, the NIA received ₱16.91 billion or about 18% of the total program funds released to GOCCs amounting to ₱96.28 billion. The fund released to NIA supported the construction, operation, and maintenance of national and communal irrigation systems. A significant increase of

about 78% was also noted in the funding to NIA which amounted to ₱30 billion in 2017. NHA, on the other hand, received ₱12 billion in 2016, and ₱19.56 billion in 2017. The fund released to NHA, which pertains to about 16% of the total budgetary support in 2017, was intended for the construction of the housing needs and resettlement of informal settlers, residents in danger areas, and calamity victims.





Aside from the implementation of infrastructure projects, program funds are also used to finance the provision of basic human needs and protection of the vulnerable sector of the society. Programs such as provision of universal health care services implemented by

“ SUBSIDIES ARE PROGRAM FUNDS COURSED THROUGH GOCCs TO MORE EFFICIENTLY IMPLEMENT SPECIFIC PROJECTS OR PROGRAMS IN THE FULFILLMENT OF THE VISION OF THE NATIONAL GOVERNMENT. ”

the Philippine Health Insurance Corporation (PhilHealth) deliver direct benefits to its intended beneficiaries. Of the total subsidies in 2016, 45% or ₱43.78 billion was released to PhilHealth to cover the payment of premium contributions and medical claims of the subsidized sector such as the indigent members, senior citizens, and sponsored members. It remained as the top recipient of budgetary support in 2017 given

its 38% share in the total subsidies amounting to ₱123 billion. Program funds coursed through the Philippine Crop Insurance Corporation (PCIC), which amounted to ₱2.5 billion in 2017, are used to cover the payment of insurance premium of farmers and fisherfolks to protect them and cushion the effects of damages or losses arising from, but not limited to, calamities and pests.

SUBSIDIES OF THE GOCC SECTOR

 GOCC Sector	 2016 (in ₱ Million)	 2017 (in ₱ Million)	 Change
Government Financial Institutions	48,016	53,461.00	11%
Trade, Area Development and Tourism	13,946	21,164.00	52%
Educational and Cultural	471	606.00	29%
Gaming	0	-	-
Energy and Materials	4,126	3,142.00	-58%
Agriculture, Fisheries and Food	6,454	7,962.00	23%
Utilities and Communications	23,263	36,782.00	85%
TOTAL	96,276	123,117.00	28%



DIVIDENDS

The GOCC Sector continued to return significant amount of its income to the national coffers through dividend remittances. Under Republic Act (R.A.) No. 7656, otherwise known as the *Dividends Law*, GOCCs are required to declare and remit at least fifty percent (50%) of their annual net earnings as cash, stock or property dividends to the National Government (NG). The law also provides exemption to social security institutions such as, but not limited to: Government Service Insurance System (GSIS), Home Development Mutual Fund (PagIBIG), Social Security System (SSS), Philippine Health Insurance Corporation (PhilHealth), and Employees Compensation Commission (ECC).

The dividends turned over to the Bureau of Treasury (BTr) in 2017 are based on the total earnings of the GOCCs in 2016. For 2017, the BTr has recorded a total amount of ₱26.80 billion dividends received from the GOCCs covered by Republic Act (R.A.) No. 10149. This is 0.18% lower than the 2016 total amount of ₱26.85 billion. GOCCs such as the Mactan-Cebu International Airport Authority (MCIAA), Philippine Reclamation Authority (PRA), and Philippine Amusement and Gaming Corporation (PAGCOR), have posted significant decline in the remitted dividends totaling to ₱6.37 billion, while the remittances of the Manila International Airport Authority (MIAA), National Development Company (NDC), National Power Corporation (NPC), and Philippine Deposit Insurance Corporation (PDIC) showed extraordinary increases in 2017 totaling to ₱7.31 billion.



Furthermore, GOCCs who have managed to be included in the prestigious “Billionaire’s Club” for having remitted at least ₱1 billion to the NG, declined from eight (8) in 2016 to seven (7) by 2017. These are PDIC (₱7.46 billion), Civil Aviation Authority of the Philippines (CAAP) (₱5.39 billion), Development Bank of the Philippines (DBP) (₱2.52 billion), MIAA (₱2.23 billion), Philippine Ports Authority (PPA) (₱1.96 billion), NPC (₱1.40 billion) and PAGCOR (₱1.18 billion).

Noticeably, LandBank was not included in the list as the Department of Finance (DOF) recommended to President Duterte a zero-dividend rate for its 2016 net income in order to comply with the Regulatory Requirement of the Bangko Sentral ng Pilipinas on Capital and Basel III Leverage Ratios. The zero-dividend rate on the bank’s 2016 net income is in lieu of the ₱10 billion requested equity infusion by LandBank. The bank has remitted a total of ₱18.6 billion to the NG for the past three (3) years. However, the reappearance of CAAP and the Clark International Airport Corporation (CIAC) in the list have somehow compensated the loss from LandBank’s dividend remittance. Below is a table showing the top ten (10) remitting GOCCs:



DIVIDENDS OF THE GOCC SECTOR

 GOCC Sector	 2016 (in ₱ Million)	 2017 (in ₱ Million)
PDIC	2,278.56	7,461.22
CAAP	0	5,393.88
DBP	2,341.13	2,516.16
MIAA	1,578.99	2,226.52
PPA	2,158.46	1,956.43
NPC	300	1,398.94
PAGCOR	1,898.32	1,182.62
PNOC-EC	359.6	519.42
CDC	700	500
NDC	41.68	428.19
Total	26,850.18	26,802.55



GOCC ACCOMPLISHMENTS



GOCC Accomplishments are based on reports from GOCCs.

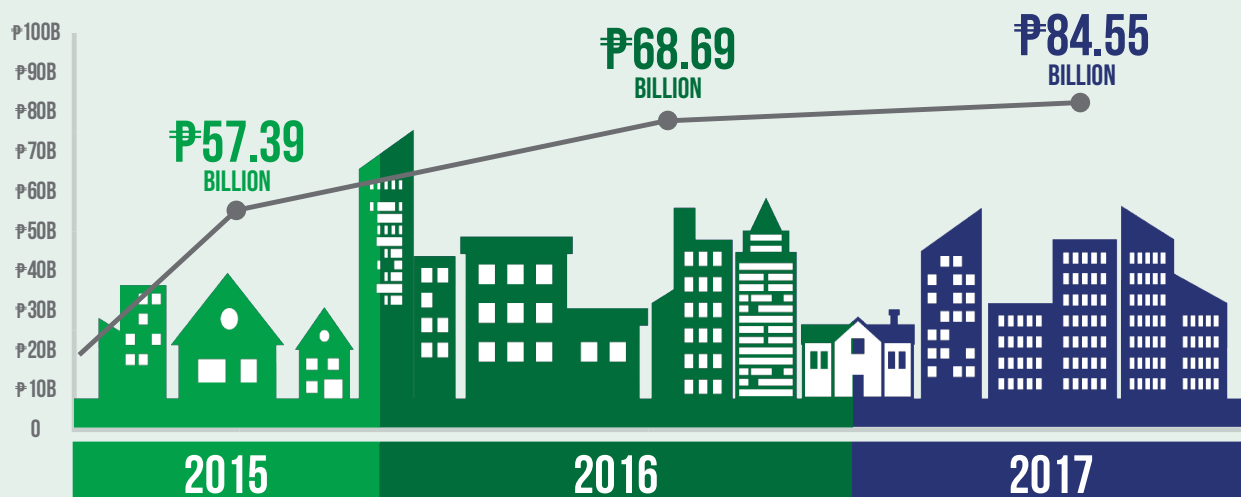


RELIABLE AND ACCESSIBLE FINANCIAL SYSTEM



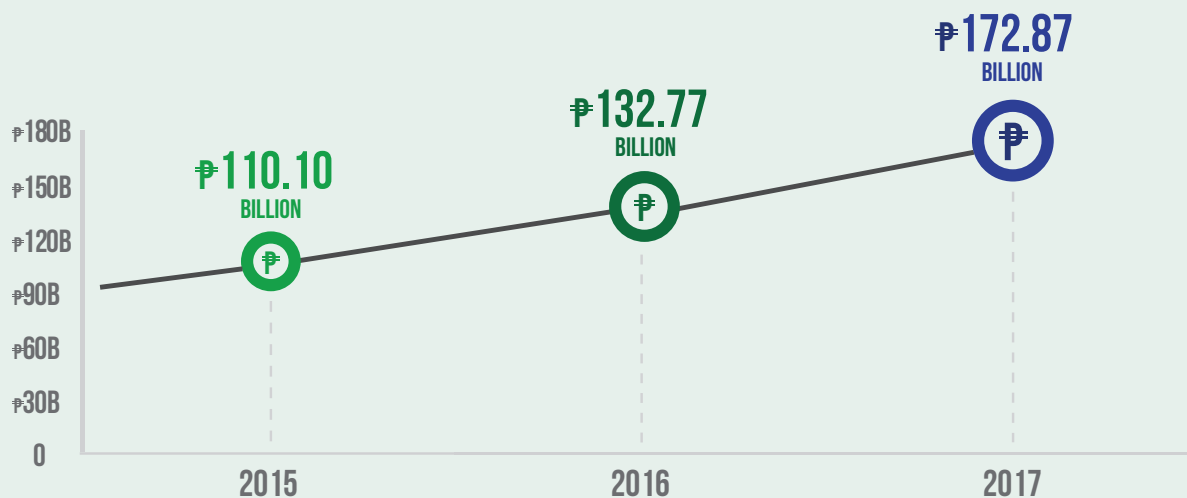
DEVELOPMENT BANK OF THE PHILIPPINES

TOTAL LOAN PORTFOLIO FOR INFRASTRUCTURE



DEVELOPMENT BANK OF THE PHILIPPINES

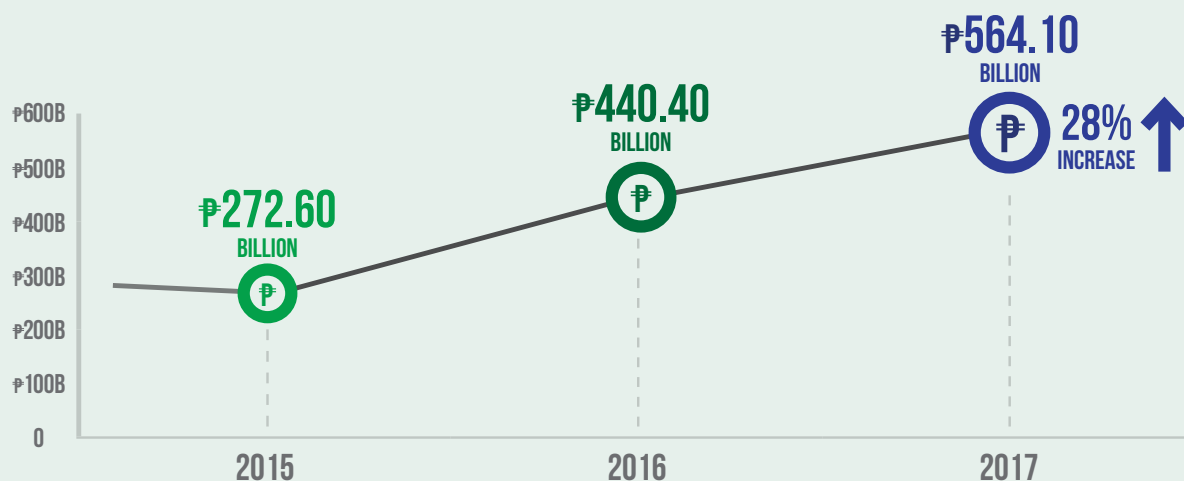
TOTAL CURRENT ACCOUNT AND SAVINGS ACCOUNT (CASA) DEPOSITS



RELIABLE AND ACCESSIBLE FINANCIAL SYSTEM

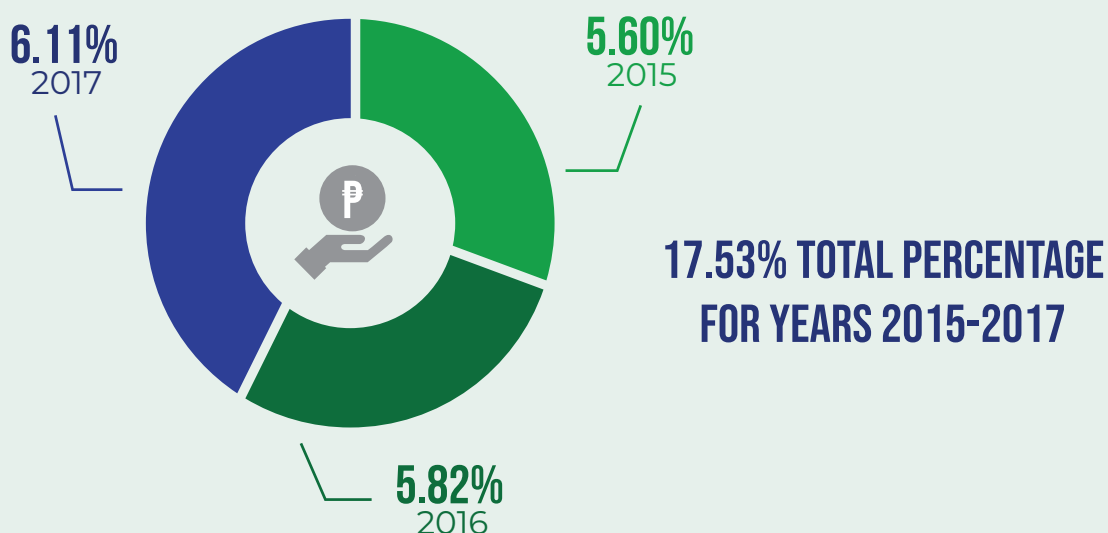
LANDBANK OF THE PHILIPPINES

LOANS TO PRIORITY AREAS (SMALL FARMERS & FISHERS, AGRICULTURE & FISHERIES, OTHER GOVERNMENT PROGRAMS)



PHILIPPINE DEPOSIT INSURANCE CORPORATION

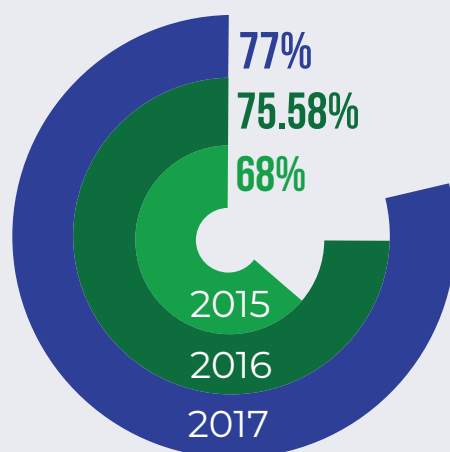
**₱147.15 BILLION FUNDS AVAILABLE AS INSURANCE TO DEPOSITORS.
100% OF VALID CLAIMS SETTLED WITHIN THE AGREED PROCESSING TIME
OF 7 TO 42 WORKING DAYS, DEPENDING ON THE ACCOUNT BALANCE AND
NUMBER OF ACCOUNTS**



EXPANDED SOCIAL PROTECTION

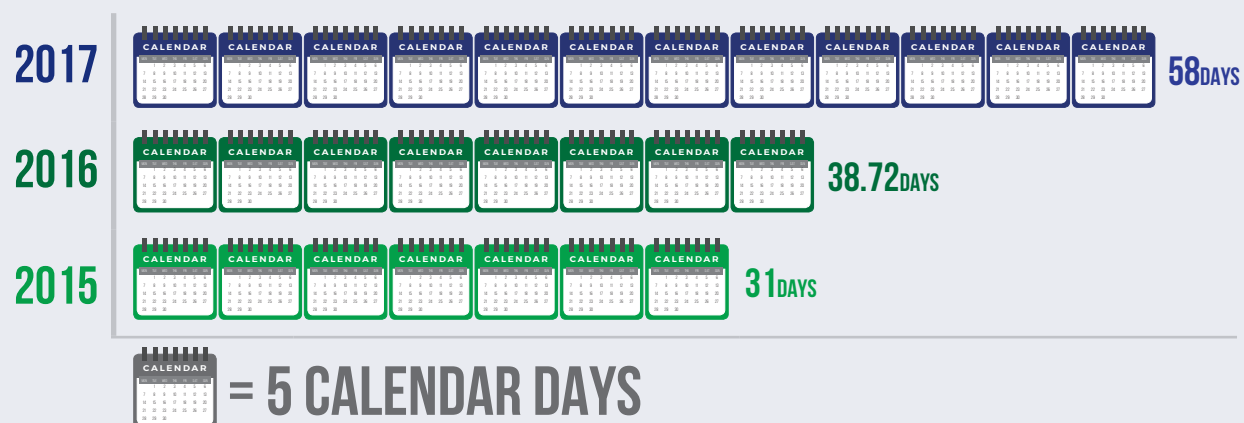
 PHILIPPINE HEALTH INSURANCE CORPORATION

COLLECTION EFFICIENCY RATE



 PHILIPPINE HEALTH INSURANCE CORPORATION

AVERAGE TURN-AROUND TIME FOR PROCESSING OF CLAIMS



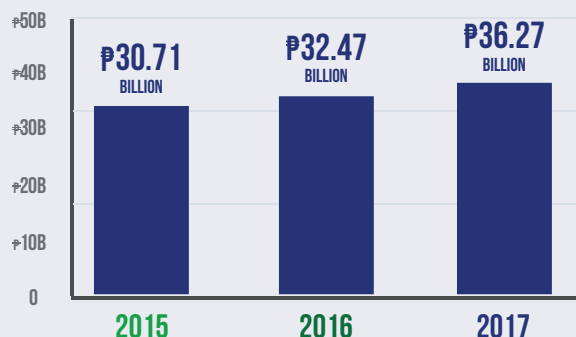
In 2017, PhilHealth increased its target turnaround time for processing claims to 60 days to implement stringent claims evaluation controls in view of fraudulent claims issues it experiences.

EXPANDED SOCIAL PROTECTION

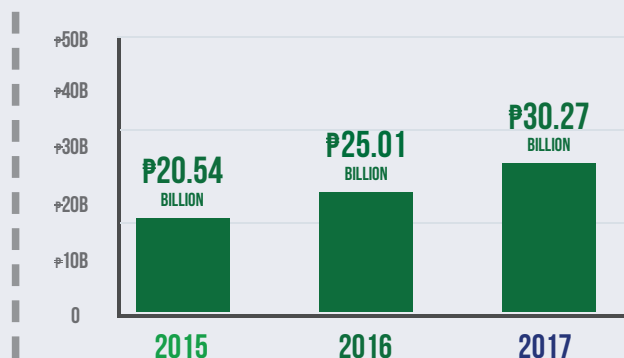


HOME DEVELOPMENT MUTUAL FUND

MEMBERS' SAVINGS

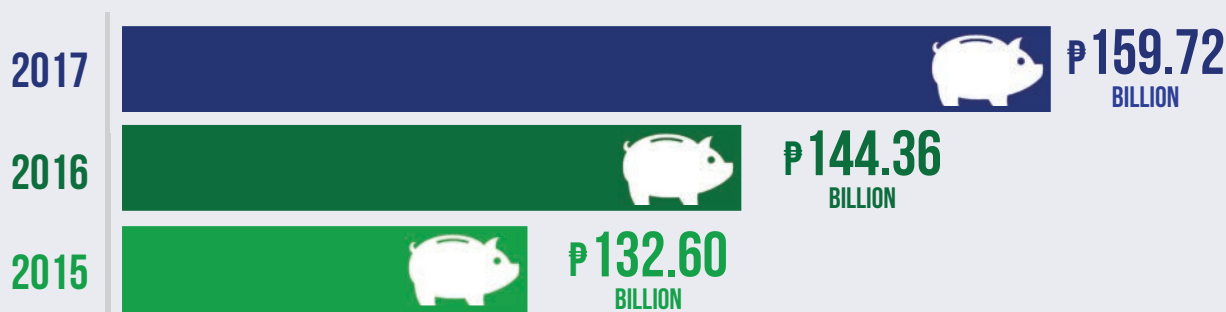


NET INCOME



SOCIAL SECURITY SYSTEM

AMOUNT OF CONTRIBUTION COLLECTIONS



SOCIAL SECURITY SYSTEM

PERCENTAGE OF PAYING MEMBERS OVER LABOR FORCE



EXPANDED SOCIAL PROTECTION

GOVERNMENT SERVICE INSURANCE SYSTEM

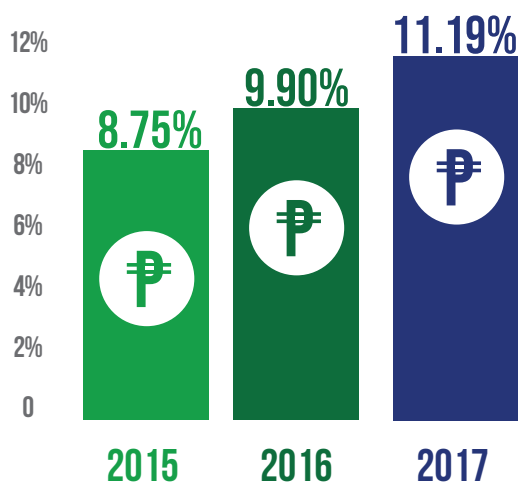
PERCENTAGE OF SOCIAL INSURANCE CLAIMS AND BENEFITS PROCESSED WITHIN TURN-AROUND TIME



In 2017, GSIS shortened its target turnaround time of processing social insurance claims from 90 days to 30 days.

GOVERNMENT SERVICE INSURANCE SYSTEM

FIVE (5)-YEAR AVERAGE PERCENTAGE ANNUAL INCREASE IN TOTAL ASSETS



Notwithstanding the decreasing trend, this can still be considered an accomplishment for GSIS as it posted a positive growth rate in 2017. Downward trend may be associated to the following factors: (1) decline in the local and international interest rates; (2) volatility in the stock market; and (3) the effect of one-time surge in 2014 due to reclassification of all outstanding fixed income investments categorized as held to maturity to available for sale. The

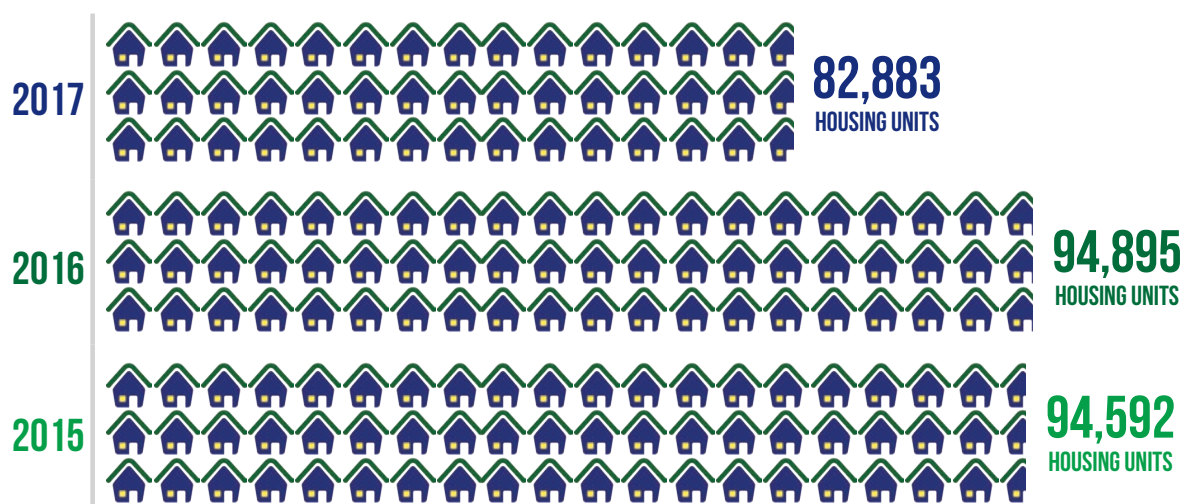
abnormal jump in 2014 had pulled up the 5-year average, thus, the normalization of year-on-year growth from 2015 onwards have been pulling down the 5-year average growth of assets.

ACCESSIBLE AND SECURED SHELTER



NATIONAL HOUSING AUTHORITY

NUMBER OF HOUSING UNITS FOR INFORMAL SETTLER FAMILIES LIVING ALONG DANGER AREAS AND DISPLACED DUE TO CALAMITIES

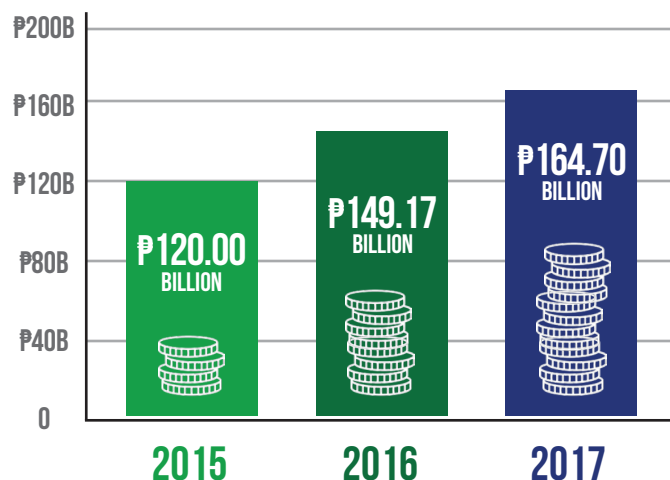


Number of Housing Units for Informal Settlers along Danger Areas, those affected by Government Infrastructure Projects, and displaced due to calamities decreased due to issues such as inclement weather and site conditions.



HOME GUARANTEE CORPORATION

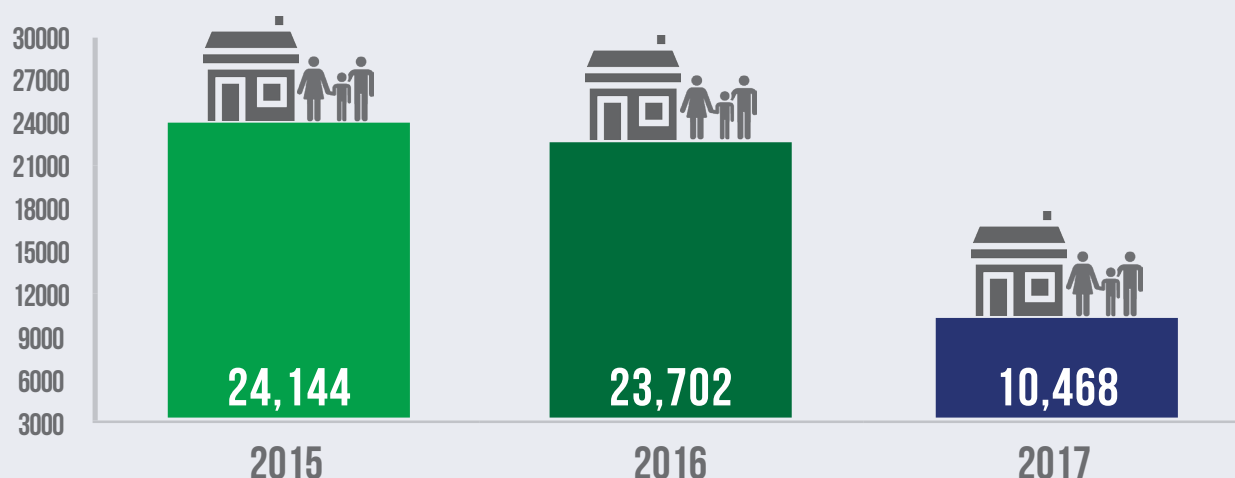
TOTAL VALUE OF LOANS GUARANTEED



ACCESSIBLE AND SECURED SHELTER

SOCIAL HOUSING FINANCE CORPORATION

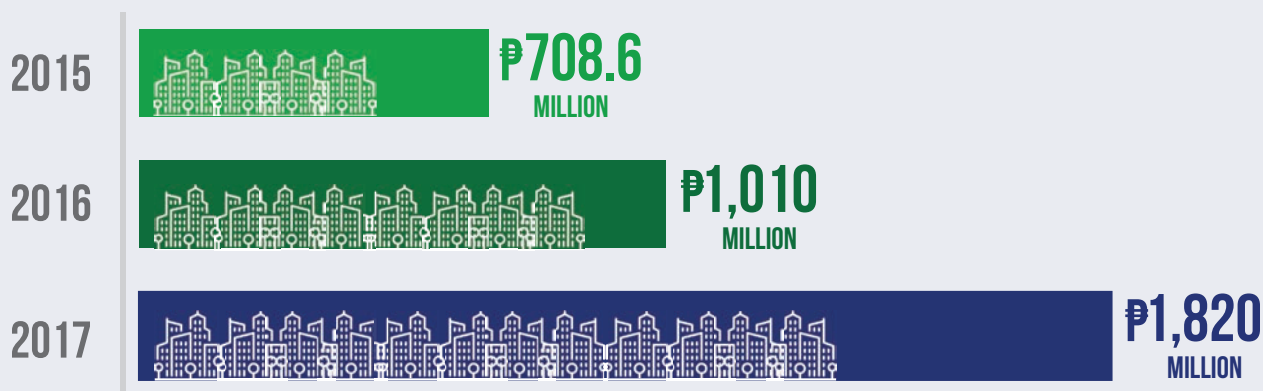
NUMBER OF FAMILIES ASSISTED THROUGH COMMUNITY MORTGAGE PROGRAM (CMP) AND HIGH DENSITY HOUSING PROGRAM (HDHP)



Notwithstanding the decreasing trend, this can still be considered as an accomplishment for SHFC as despite the constraints brought about by the change in administration and funding needs, the SHFC was still able to provide affordable housing programs to the informal settler families. These housing programs are the most receptive to the housing needs of the low-income group in the Philippines.

NATIONAL HOME MORTGAGE FINANCE CORPORATION

VALUE OF FUNDS PROVIDED TO ORIGINATORS TO BE RECYCLED TO HOUSING THROUGH SECURITIZATION

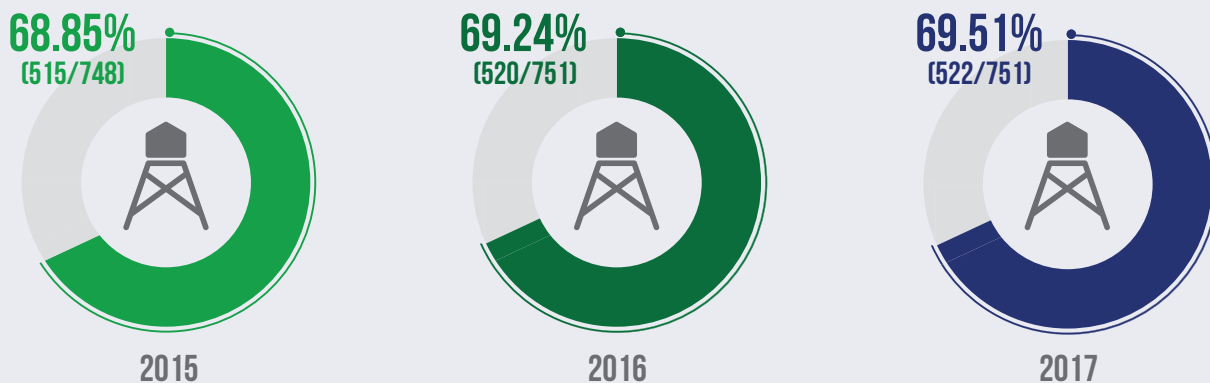


The purchase of housing receivables improves the liquidity of financial institutions and developers enabling them to engage in more social housing projects.

IMPROVED WATER ACCESSIBILITY

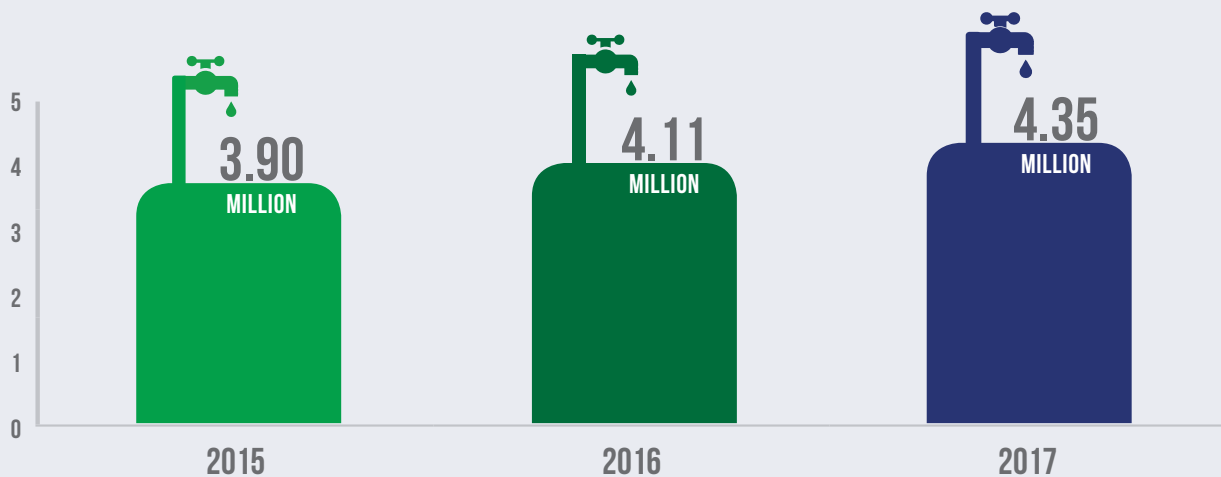
LOCAL WATER UTILITIES ADMINISTRATION

PERCENTAGE OF OPERATIONAL WATER DISTRICTS (WDs) WITH THE CAPACITY TO SUPPLY WATER 24/7 (OPERATIONAL WDs OVER ACTIVE WDs)



LOCAL WATER UTILITIES ADMINISTRATION

HOUSEHOLDS OUTSIDE METRO MANILA SERVED WITH LEVEL 3 ACCESS (INDIVIDUAL CONNECTION) TO WATER



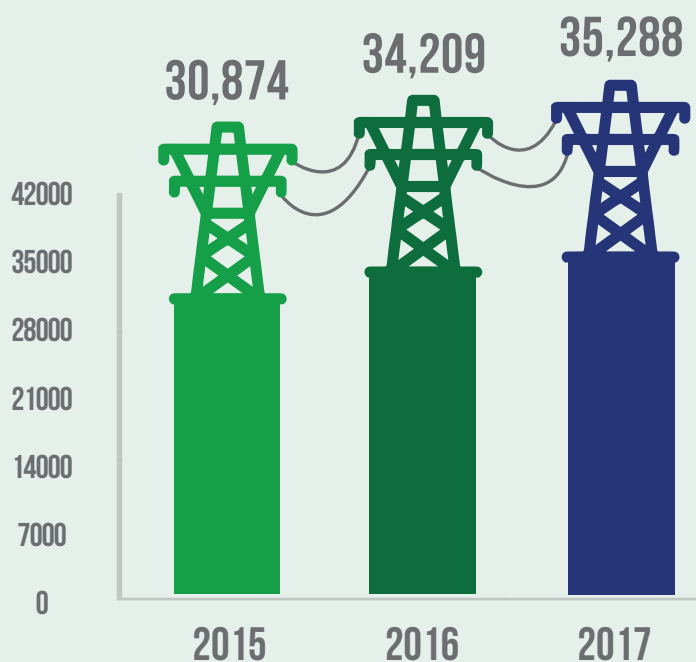


ACCESSIBLE AND RELIABLE ELECTRICITY



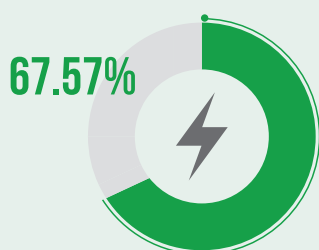
NATIONAL ELECTRIFICATION ADMINISTRATION

TOTAL NUMBER OF COMPLETED AND ENERGIZED SITIO PROJECTS

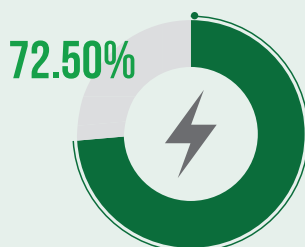


NATIONAL POWER CORPORATION

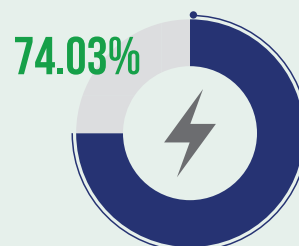
AVAILABILITY OF POWER SUPPLY IN FAR-FLUNG AREAS



2015



2016



2017

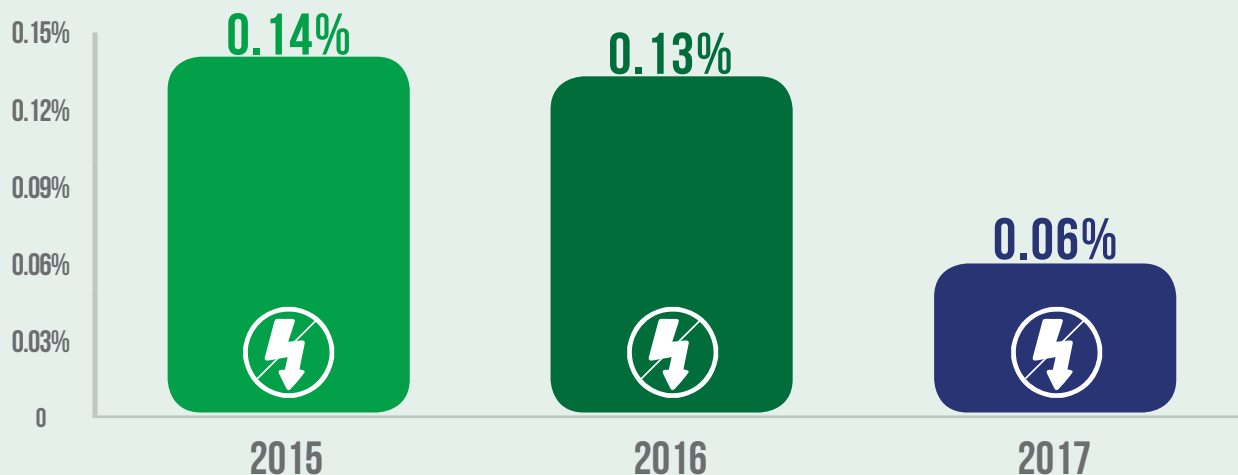


ACCESSIBLE AND RELIABLE ELECTRICITY



NATIONAL POWER CORPORATION

POWER OUTAGE RATE

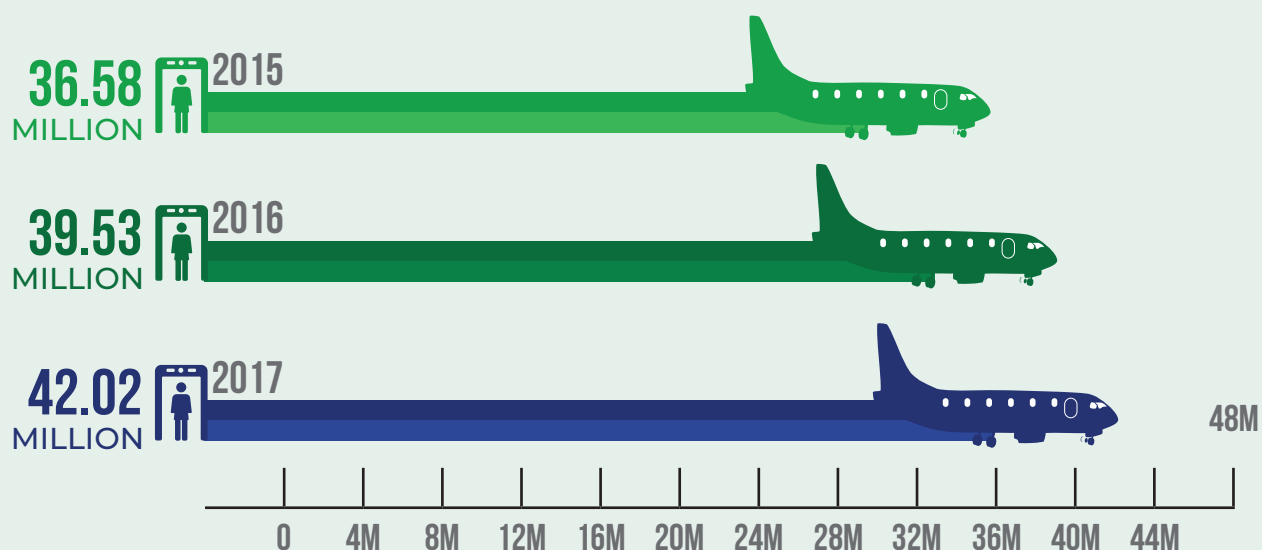


ACCELERATING INFRASTRUCTURE DEVELOPMENT

INCREASE IN PASSENGER VOLUME



MANILA INTERNATIONAL AIRPORT AUTHORITY

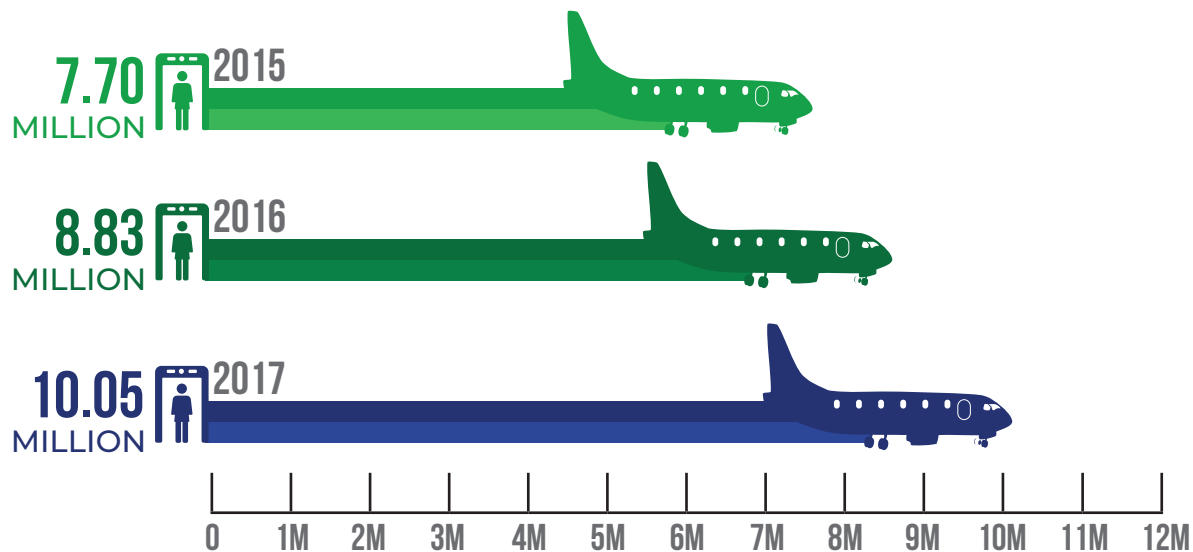


ACCELERATING INFRASTRUCTURE DEVELOPMENT

INCREASE IN PASSENGER VOLUME



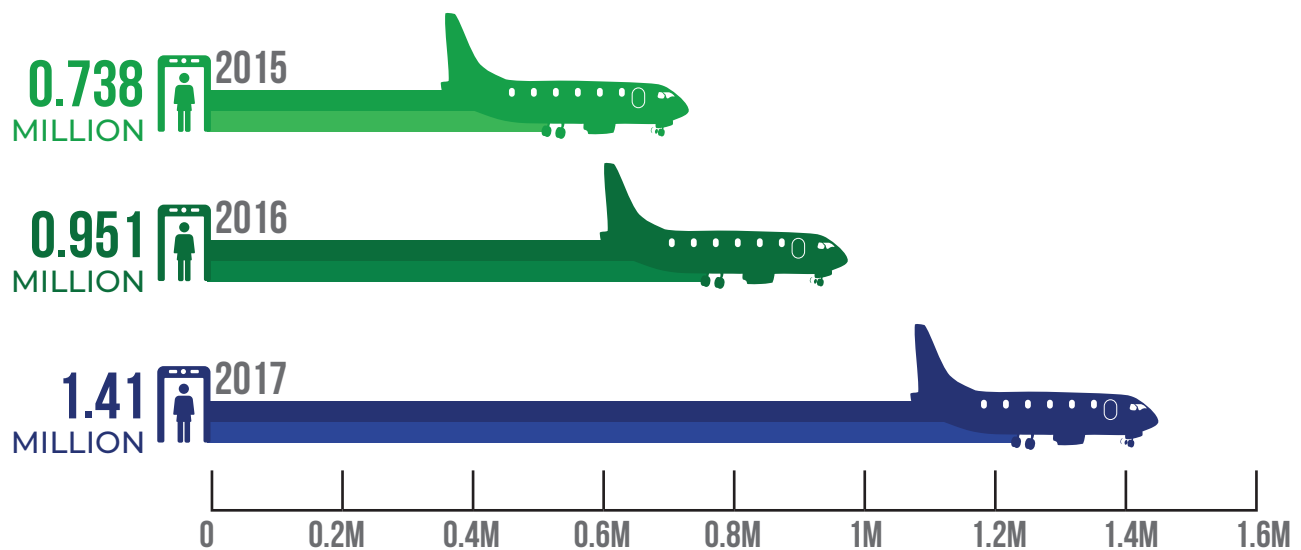
MACTAN-CEBU INTERNATIONAL AIRPORT AUTHORITY



INCREASE IN PASSENGER VOLUME



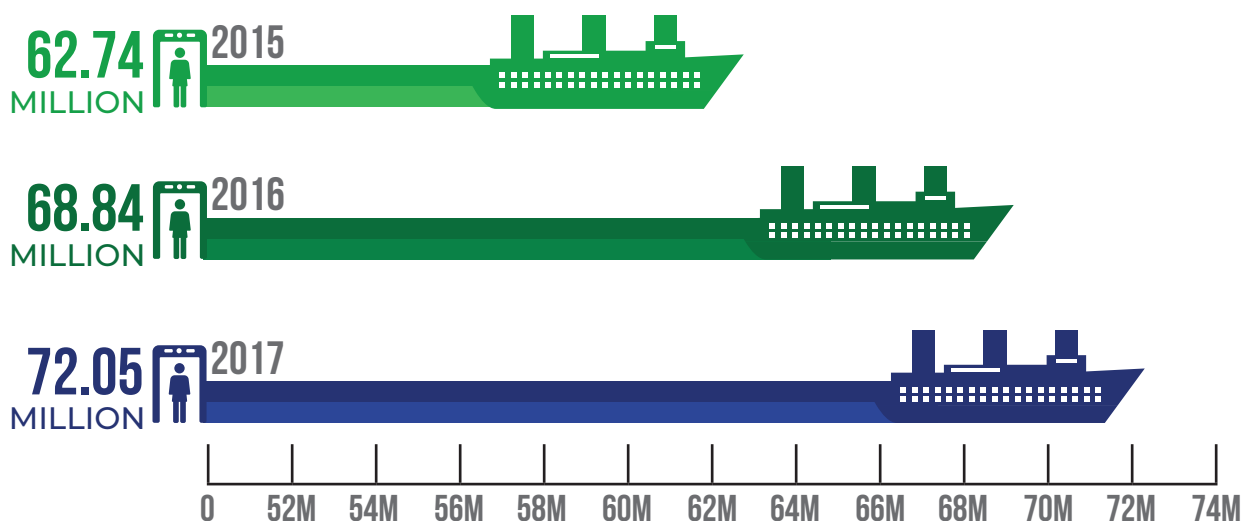
CLARK INTERNATIONAL AIRPORT CORPORATION



ACCELERATING INFRASTRUCTURE DEVELOPMENT

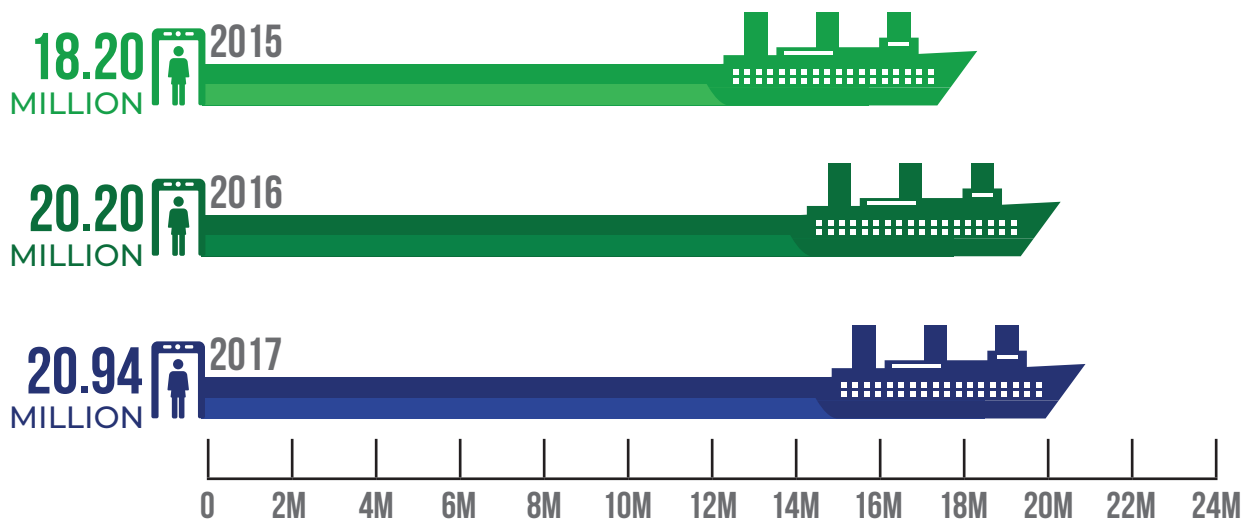
INCREASE IN PASSENGER VOLUME

 **PHILIPPINE PORTS AUTHORITY**



INCREASE IN PASSENGER VOLUME

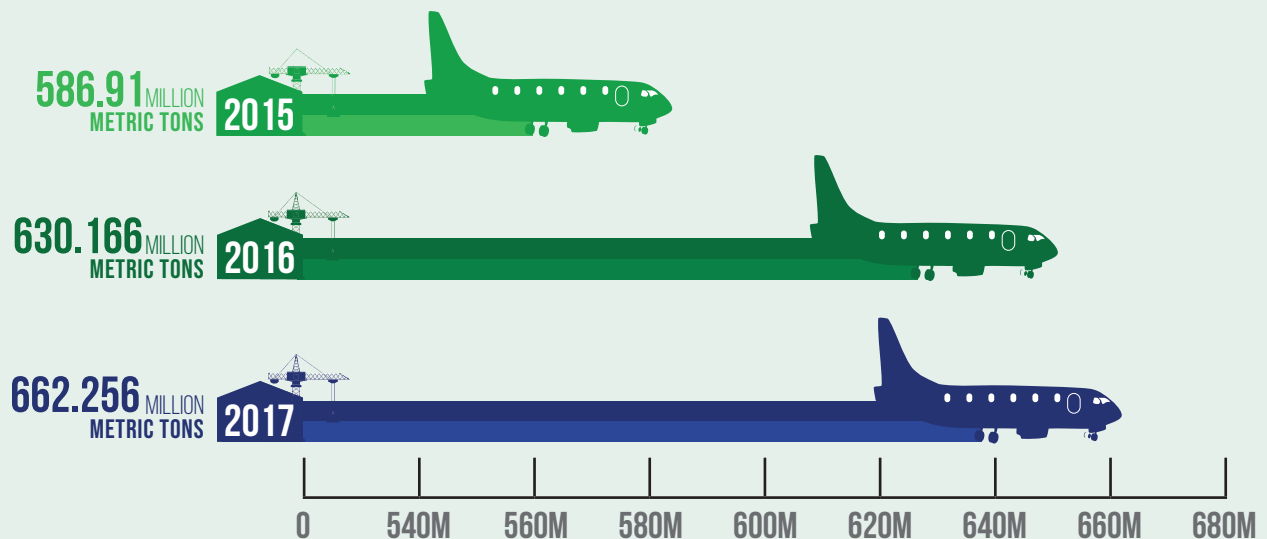
 **CEBU PORT AUTHORITY**



ACCELERATING INFRASTRUCTURE DEVELOPMENT

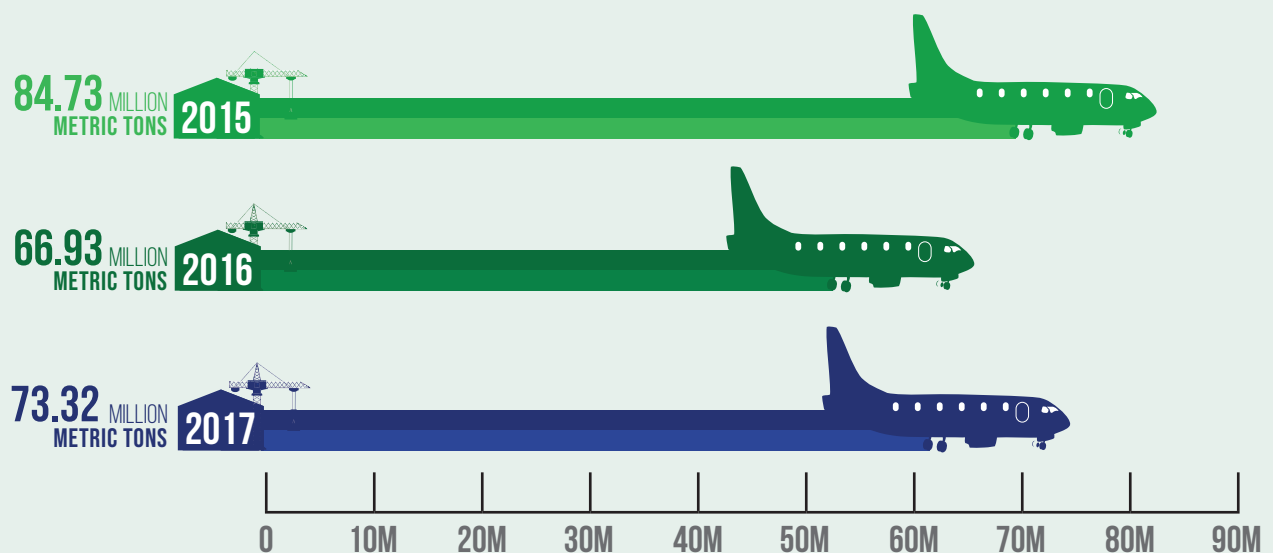
INCREASE IN CARGO VOLUME

 **MANILA INTERNATIONAL AIRPORT AUTHORITY**



INCREASE IN CARGO VOLUME

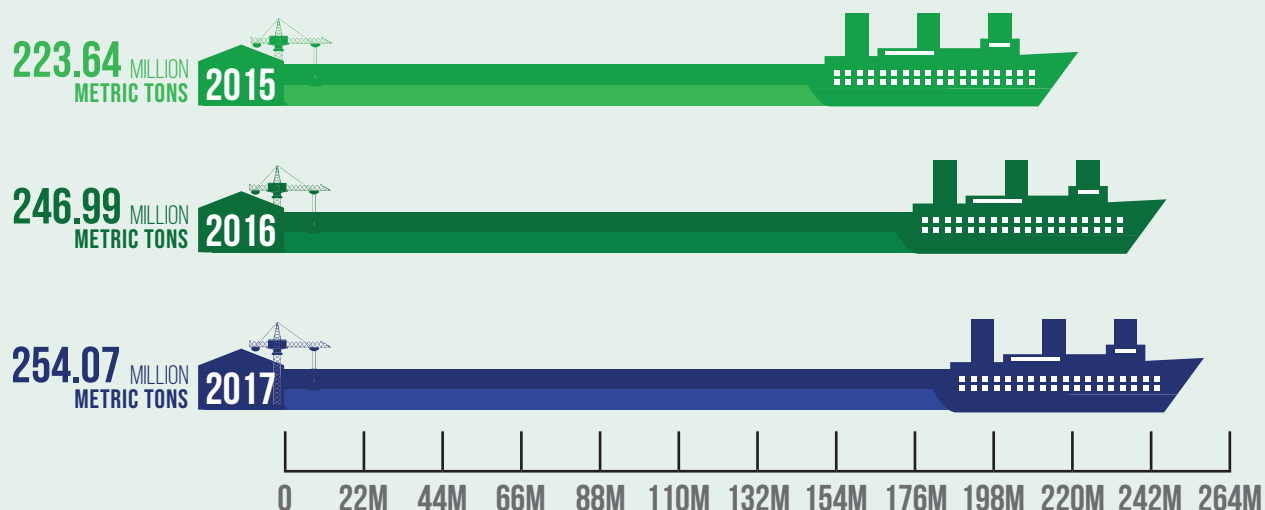
 **MACTAN-CEBU INTERNATIONAL AIRPORT AUTHORITY**



ACCELERATING INFRASTRUCTURE DEVELOPMENT

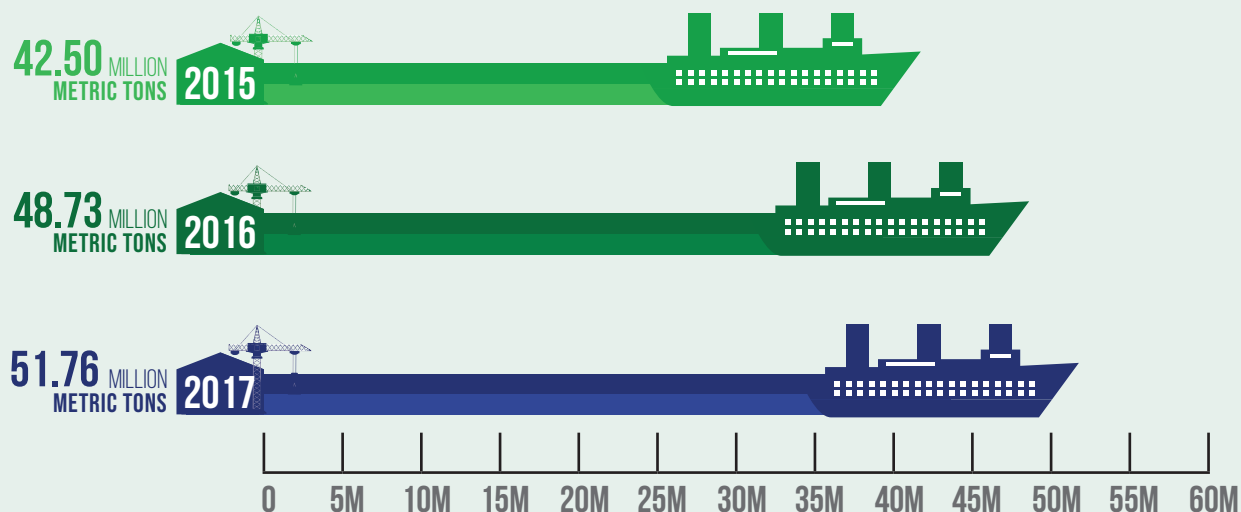
INCREASE IN CARGO VOLUME

 **PHILIPPINE PORTS AUTHORITY**



INCREASE IN CARGO VOLUME

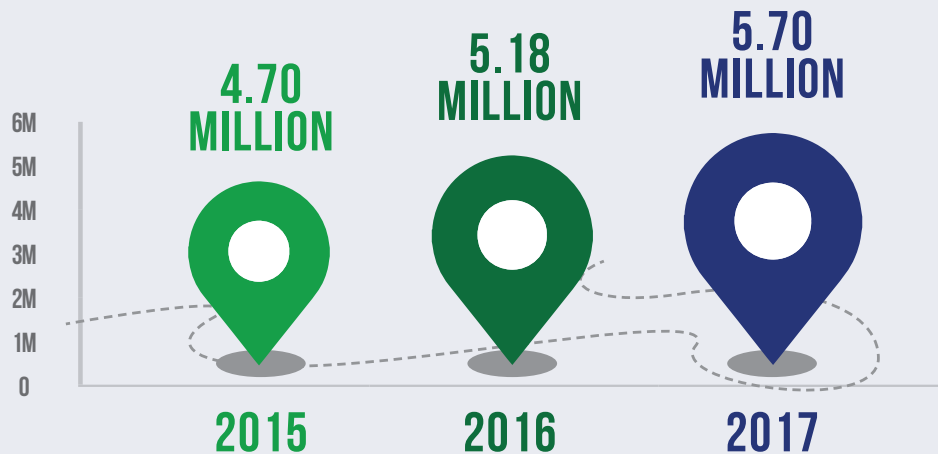
 **CEBU PORT AUTHORITY**



WORLD CLASS TOURISM

 **TOURISM PROMOTIONS BOARD**

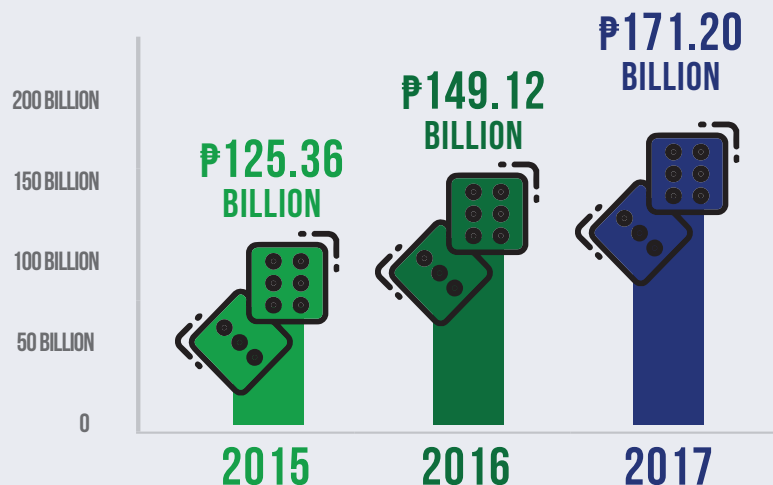
INTERNATIONAL TOURISM ARRIVALS FROM TWELVE (12) KEY MARKETS, AND OVERSEAS FILIPINO MARKETS



GAMING AND ENTERTAINMENT INDUSTRY

 **PHILIPPINE AMUSEMENT AND GAMING CORPORATION**

INDUSTRY GROSS GAMING REVENUE



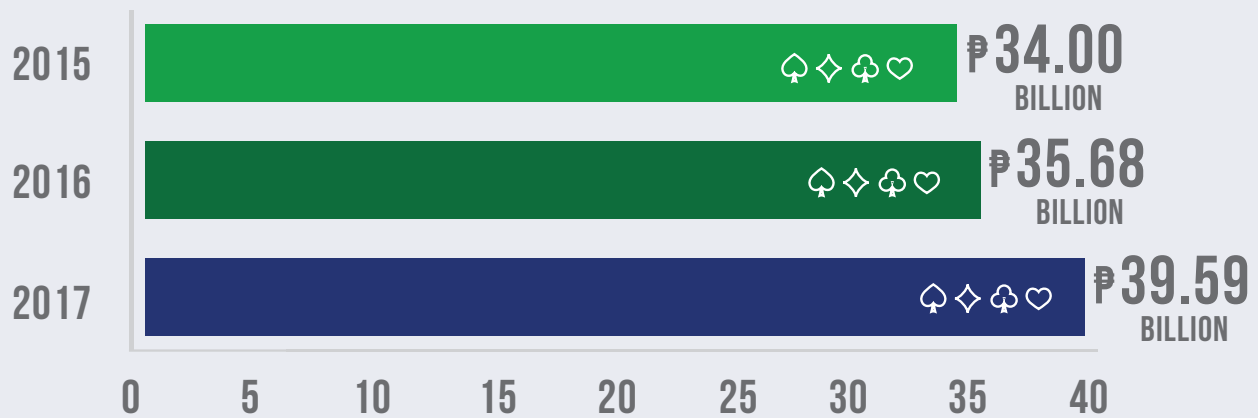


GAMING AND ENTERTAINMENT INDUSTRY



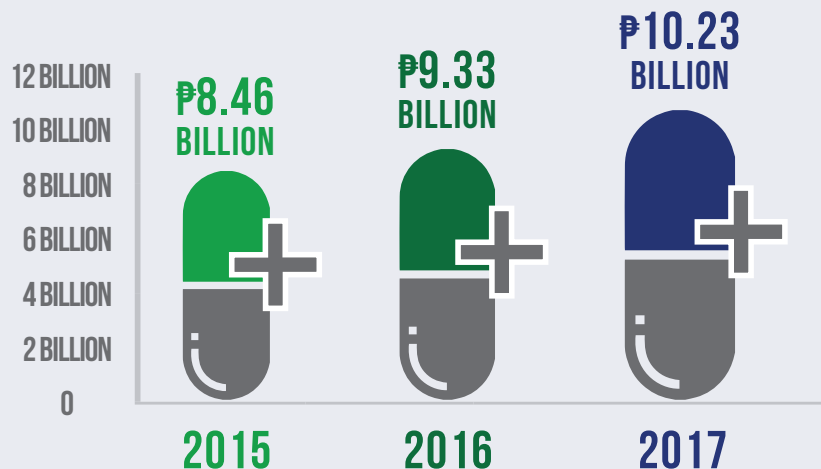
PHILIPPINE AMUSEMENT AND GAMING CORPORATION

TOTAL CONTRIBUTIONS TO THE NATIONAL GOVERNMENT



PHILIPPINE CHARITY SWEEPSTAKES OFFICE

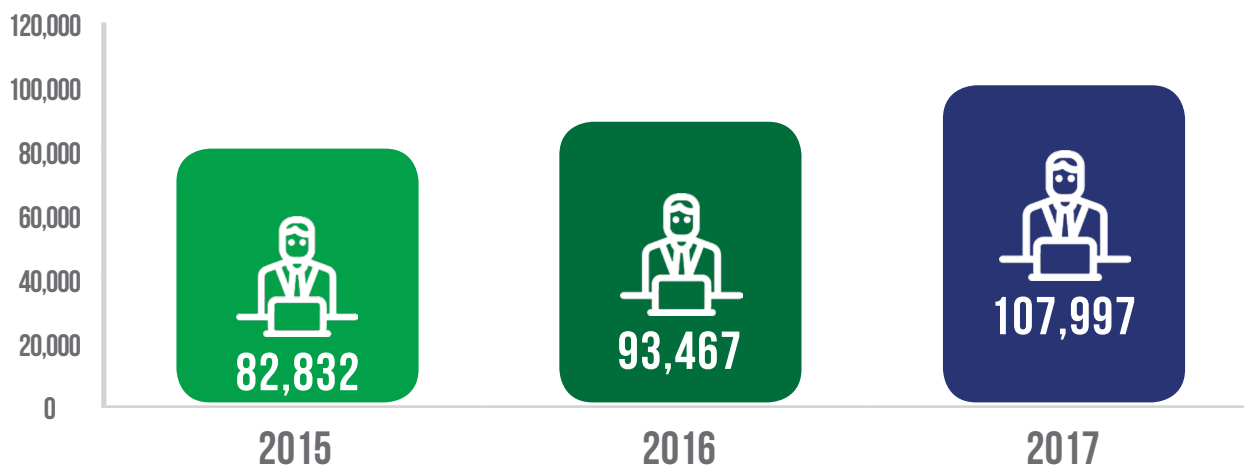
FINANCIAL ASSISTANCE PROVIDED FOR MEDICAL ASSISTANCE AND HEALTH AND WELFARE PROGRAMS



ACCELERATING GROWTH THROUGH REGIONAL DEVELOPMENT

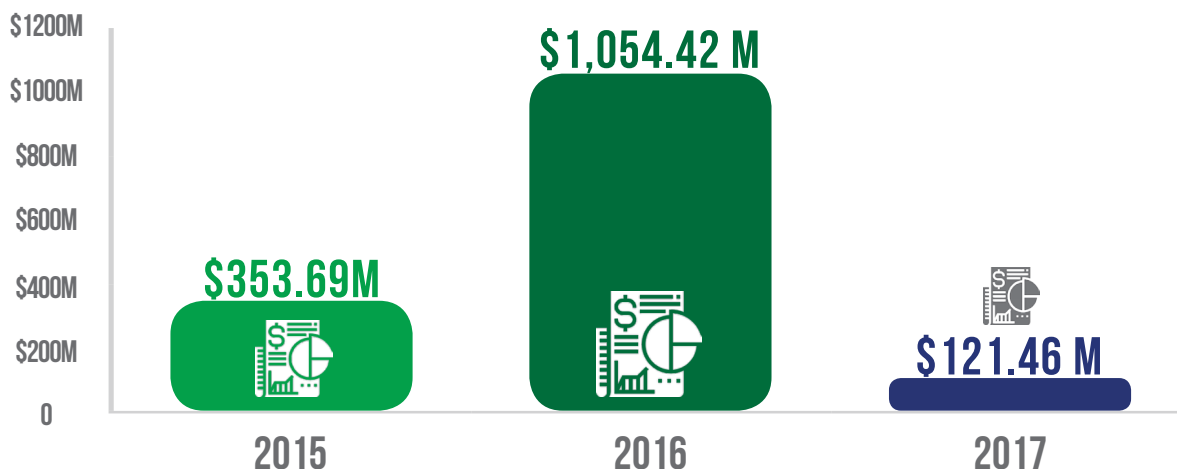
 **CLARK DEVELOPMENT CORPORATION**

NUMBER OF ACTUAL JOBS GENERATED IN CLARK FREEPORT ZONE



 **CLARK DEVELOPMENT CORPORATION**

TOTAL NEW COMMITTED INVESTMENTS IN CLARK FREEPORT ZONE

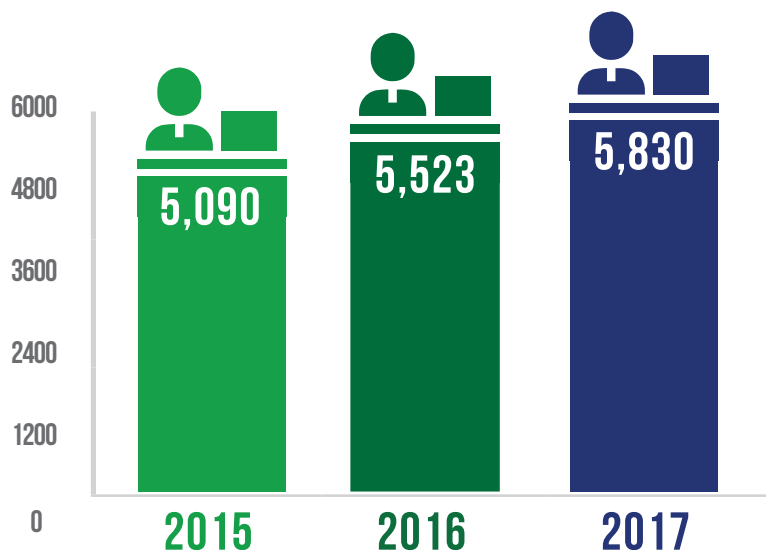


The on-going review of the CDC Master Plan which reduced the available lands for direct lease affected the committed investments. Additionally, 2016 was an extraordinary year for CDC due to privatization of the former Mimosa Leisure Estate and business expansion of Fontana Development Corporation.

ACCELERATING GROWTH THROUGH REGIONAL DEVELOPMENT

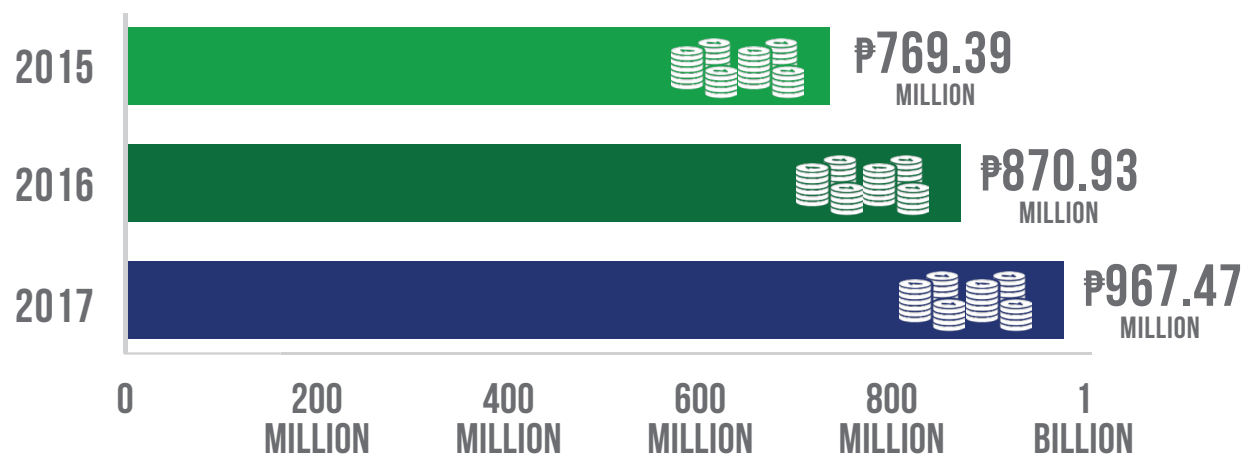
 **JOHN HAY MANAGEMENT CORPORATION**

NUMBER OF JOBS GENERATED IN JOHN HAY SPECIAL ECONOMIC ZONE



 **JOHN HAY MANAGEMENT CORPORATION**

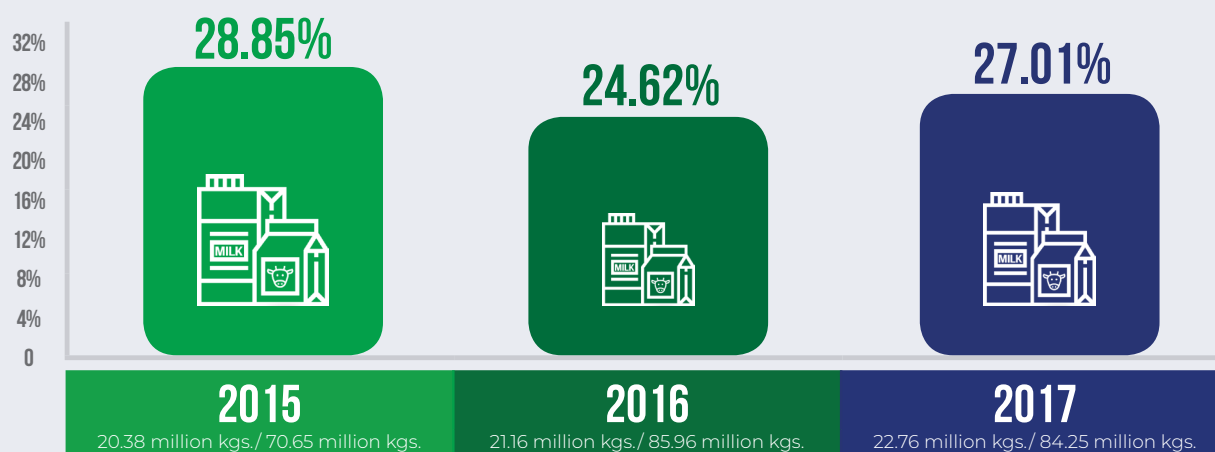
GROSS SALES OF BUSINESS ENTERPRISES WITHIN THE JOHN HAY SPECIAL ECONOMIC ZONE



COMPETITIVE AND SUSTAINABLE FOOD PRODUCTION

NDA NATIONAL DAIRY AUTHORITY

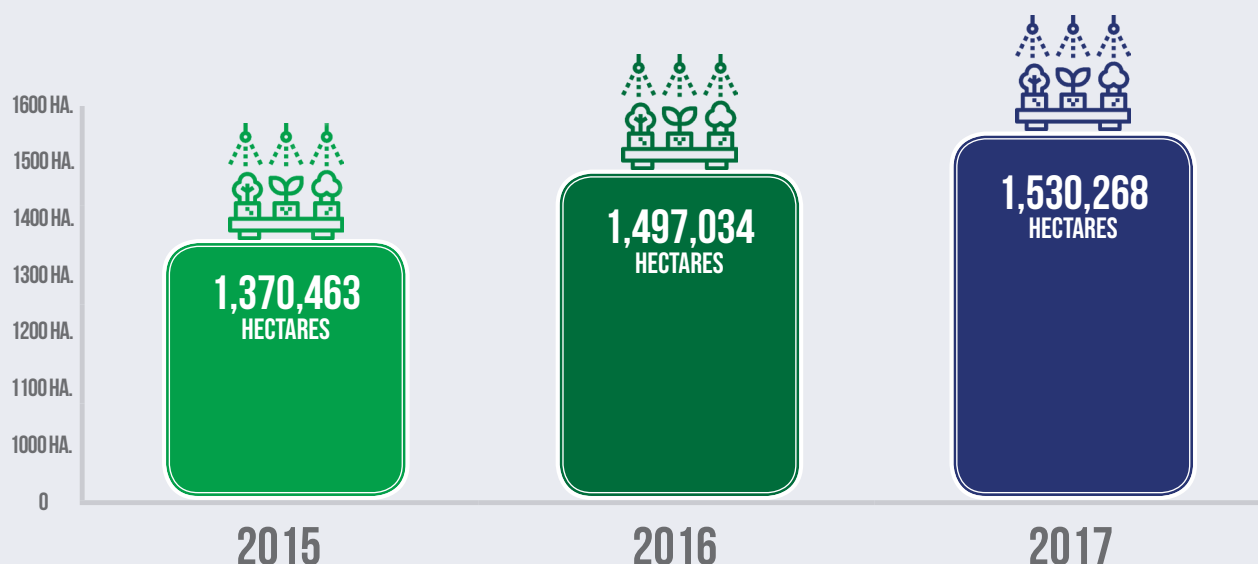
PERCENTAGE OF LIQUID MILK PRODUCED LOCALLY AND DECREASING AMOUNT OF LIQUID MILK IMPORTED (LOCAL PRODUCTION OVER TOTAL SUPPLY)



By 2017, 27% of total liquid milk supply was produced locally which decreased the amount of liquid milk imported.

NAI NATIONAL IRRIGATION AUTHORITY

IRRIGABLE AREAS SERVICED



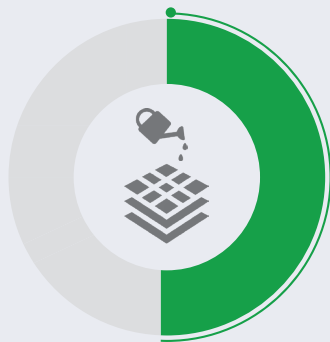


COMPETITIVE AND SUSTAINABLE FOOD PRODUCTION



NATIONAL IRRIGATION AUTHORITY

PERCENTAGE OF DEVELOPED AREA FOR IRRIGATION



57.33%



61.68%

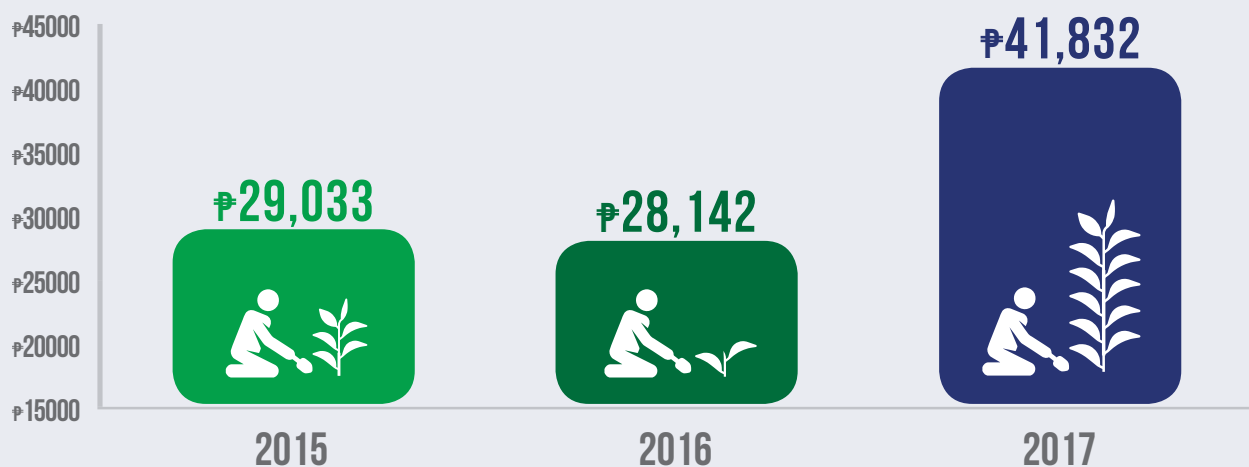


63.05%



PHILIPPINE COCONUT AUTHORITY

AVERAGE ANNUAL INCOME OF FARMERS

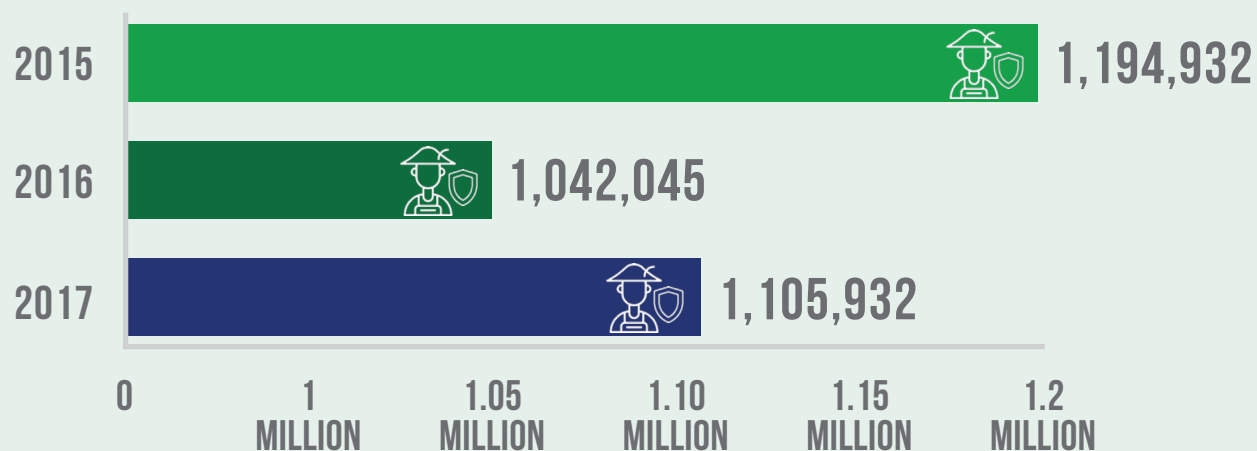


COMPETITIVE AND SUSTAINABLE FOOD PRODUCTION



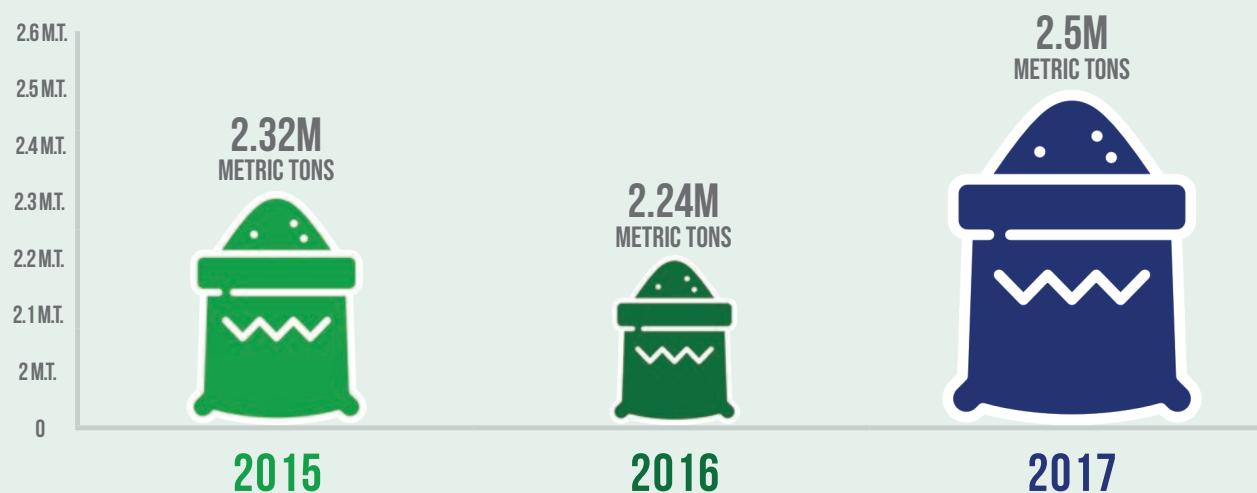
PHILIPPINE CROP INSURANCE CORPORATION

NUMBER OF SUBSISTENCE FARMERS ENROLLED IN CROP PROTECTION (INSURANCE)



SUGAR REGULATORY ADMINISTRATION

RAW SUGAR PRODUCTION



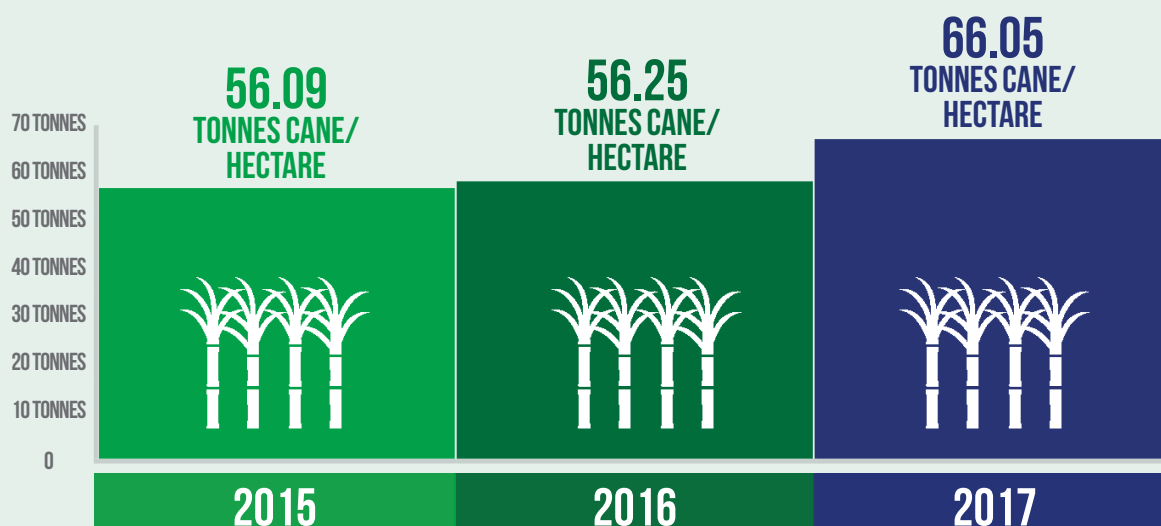


COMPETITIVE AND SUSTAINABLE FOOD PRODUCTION



SUGAR REGULATORY ADMINISTRATION

SUGARCANE YIELD





Background

- 1. In 2014, the regulatory contribution of banks to the APFWSB has been stopped effective April 3, 2014.
- 2. The annual refund for saving assets based on the regulatory contribution is estimated at about ¥100M. This amount, which is not included in the profit before tax, is about ¥100M.
- 3. The APFWSB is planning about ¥100M in annual operating expense which may not be sustainable.
- 4. There is an ongoing dispute among banks for the refund of their contributions.

10:05:59



GCG COMMITMENT TO THE OPEN GOVERNMENT PARTNERSHIP (OGP)



“As commitment to the Philippine Open Government Partnership, the CGC has developed a standardized methodology of measuring and monitoring the satisfaction levels of respective customers of GOCCs in support of the country’s broader efforts to promote transparency, empower citizens, fight corruption, and harness new technologies to strengthen governance.”

Along with achieving performance targets, GOCCs have been required since 2015 to conduct a Third-Party Customer Satisfaction Survey by GCG's Performance Evaluation System (PES) to ensure GOCCs gather feedback on and work toward continually improving their services. Implementing a standardized methodology on the conduct of GOCCs' Customer Satisfaction Survey was identified by the Governance Commission as one of its strategic initiatives in 2017. The same milestone was proposed to the Philippine Open Government Partnership as a commitment to measuring and monitoring the satisfaction levels of respective customers of GOCCs in support of the country's broader efforts to promote transparency, empower citizens, fight corruption, and harness new technologies to strengthen governance.

The standard guideline will ensure that quality checks for the conduct of the customer satisfaction survey are in place.

Adherence to such guidelines by the GOCCs will yield quality research output from which the GCG and GOCCs can obtain more actionable insights, from the latter's customers, aimed for the continual improvement of their service delivery.

THE OPEN GOVERNMENT PARTNERSHIP

On 20 September 2011, the Open Government Partnership (OGP) was formally launched creating a multilateral initiative that endeavors to develop initiatives from governments across the globe to promote transparency, empower citizens, fight corruption, and harness new technologies to strengthen governance. From eight (8) founding governments in 2011

(Brazil, Indonesia, Mexico, Norway, Philippines, South Africa, United Kingdom, and the United States), the OGP now comprises of seventy-five (75) participating countries. The foundation of OGP lies on the relationship between government and civil society in collaborating on drafting and implementing commitments or the National Action Plan.

“ THE NATIONAL ACTION PLAN SPECIFIES THE COMMITMENTS DEFINED BY THE GOVERNMENT AND CIVIL SOCIETY TO FOSTER THE OPEN GOVERNMENT PRINCIPLES OF TRANSPARENCY, ACCOUNTABILITY, PUBLIC PARTICIPATION, AND TECHNOLOGY AND INNOVATION ”

The National Action Plan specifies the commitments defined by the government and civil society to foster the open government principles of transparency, accountability, public participation, and technology and innovation. Transparency commitments refer to initiatives aimed at providing open access



to government information. Accountability commitments include putting in place systems of accountability that involve the public. Participation commitments are those that engage citizens to provide feedback and/or

inputs towards a more responsive, innovative, and effective governance. Lastly, technology and innovation commitments include initiatives that advance the open government principles.

GCG'S COMMITMENT TO PH-OGP

Out of the thirty (30) proposed programs for the PH-OGP National Action Plan 2017-2019, the initiative of the Governance Commission on Satisfaction Rating on GOCCs has been chosen as one of the final programs enrolled under the said action plan. While there are GOCCs that conduct a Third-Party Customer Satisfaction Survey starting 2015, a standard methodology for all GOCCs was yet to be determined. Thus, a validation of customer satisfaction on all GOCCs has yet to be determined as well.

GCG's 2017 strategic initiative to implement a standardized methodology on the conduct of the GOCCs' Customer Satisfaction Survey was proposed to the PH-OGP as a commitment to ensure that GOCCs gather their customers' feedback which would inform them of the services they are doing well and those that need improvement. The Survey shall also serve as an indicator of the overall satisfaction of GOCCs' customers on their services. As GOCCs adopt a standard methodology on conducting a Customer Satisfaction Survey and strive to achieve a Satisfactory rating, they are also driven to continually improve their delivery of services.

Since a Customer Satisfaction Survey conducted by a Third Party allows GOCC customers to provide feedback on the services they receive,

it enables civic participation in improving the services of GOCCs. This commitment is also in line with Chapter 5 of the Philippine Development Plan 2017-2022 on Ensuring People-Centered, Clean, and Efficient Governance.

The Governance Commission committed to first establish a standard methodology on GOCC Customer Satisfaction Survey in 2017. Once established, GCG aims to implement the same to GOCCs in 2018. By 2019, the Governance Commission targets to establish the baseline of percentage of GOCCs with Satisfactory rating by the first semester, and to publish results of GOCCs' Customer Satisfaction Surveys by the second semester.

ESTABLISHMENT OF THE STANDARD METHODOLOGY ON GOCC CUSTOMER SATISFACTION SURVEY

The standard methodology on GOCC Customer Satisfaction Survey was established by the GCG in December 2017. The standard methodology laid out the research design and methodology prescribed for GOCCs while taking into consideration their size and financial capability to conduct a third-party or in-house survey. It also identified the survey methodologies specific to different types of GOCCs, and re-grouped GOCCs according to Sectors that are similar in objective/mandate, nature of business, products/services offered, and nature of customers. Five (5) data gathering methodologies were deemed to be most efficient and effective in reaching out to customers:

- ✔ Intercept Interviews;
- ✔ Telephone Interviews;
- ✔ Intercept Interviews + Telephone Interviews;
- ✔ Door-to-Door Interviews + Telephone Interviews; and
- ✔ Intercept Interviews + Door-to-Door Interviews.

The standard methodology also identified several types of probability sampling to be used in accordance with the data gathering method to be applied. Further, the methodology prescribed criteria to be satisfied in terms of determining respondents and sample size.

Depending on the number of customers per year, the standard methodology also identified the frequency of data collection. Lastly, it prescribed a structured data collection instrument or the questionnaire.

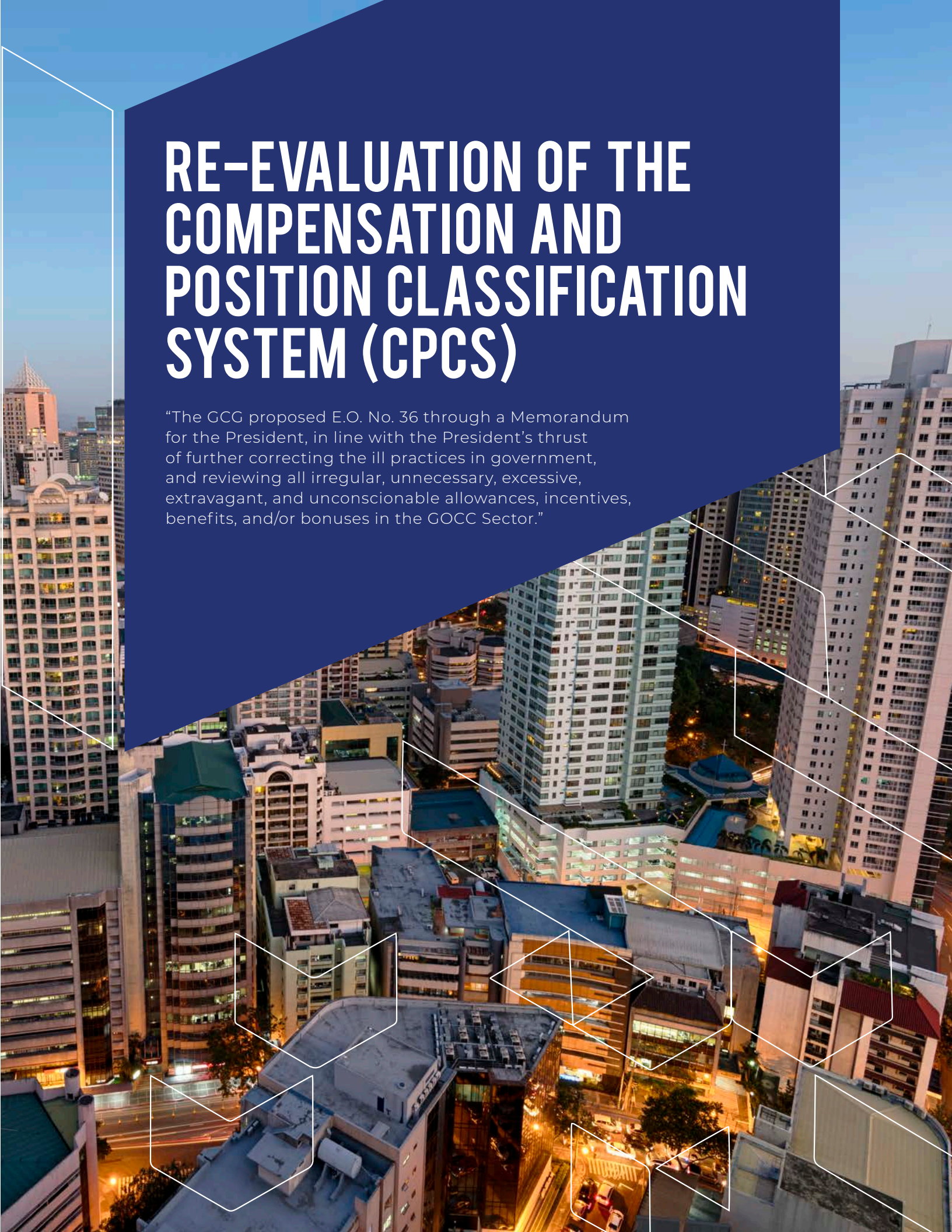
Prior to finalizing their Performance Scorecards, GOCCs were informed of the requirement to roll out the standard methodology and questionnaire set by GCG.

As GOCCs implement the standard methodology in 2018, the Governance Commission is set to monitor GOCCs' compliance with the same and look out for possible improvements. More than establishing a standard methodology and ensuring all GOCCs gather customer feedback, the GCG looks out to engaging and empowering the citizenry in improving GOCCs' services.

“**MORE THAN ESTABLISHING A STANDARD METHODOLOGY AND ENSURING ALL GOCCS GATHER CUSTOMER FEEDBACK, THE GCG LOOKS OUT TO ENGAGING AND EMPOWERING THE CITIZENRY IN IMPROVING GOCCS' SERVICES**”

RE-EVALUATION OF THE COMPENSATION AND POSITION CLASSIFICATION SYSTEM (CPCS)

“The GCG proposed E.O. No. 36 through a Memorandum for the President, in line with the President’s thrust of further correcting the ill practices in government, and reviewing all irregular, unnecessary, excessive, extravagant, and unconscionable allowances, incentives, benefits, and/or bonuses in the GOCC Sector.”



RE-EVALUATION OF THE COMPENSATION AND POSITION CLASSIFICATION SYSTEM (CPCS)

In line with the President's thrust of further correcting the ill practices in government, and reviewing all irregular, unnecessary, excessive, extravagant and unconscionable allowances, incentives, benefits, and/or bonuses in the GOCC Sector, the Governance Commission proposed Executive Order (E.O.) No. 36 through a Memorandum for the President dated 09 June 2017.

Signed by President Rodrigo Roa Duterte on 28 July 2017, E.O. No. 36 effectively suspended the Compensation and Position Classification System (CPCS), and the General Index of Occupational Services (IOS) for the GOCC Sector under E.O. No. 203 s. 2016.

Pending the revisiting and re-evaluation of the CPCS, the E.O. No. 36 sets an interim measure for the compensation framework to be followed by GOCCs and respective subsidiaries under the jurisdiction of the GCG.

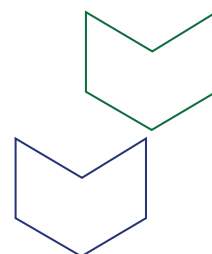
GOCCs covered by the Salary Standardization Law (SSL) shall be following the Modified Salary Schedule including allowances and benefits provided under E.O. No. 201, s. 2016, upon approval by the Governance Commission. SSL-covered GOCCs with inadequate or insufficient funds, however, shall partially implement the same.

Meanwhile, GOCCs exempt from SSL have the option to maintain their current compensation framework, or adopt the Modified Salary Schedule under E.O. No. 201, subject to the approval of the GCG.

The implementation of E.O. No. 36 effective 01 January 2017 guarantees the non-diminution of authorized salaries of incumbent officers and employees, and the continued enforcement of Collective Bargaining Agreements and Collective Negotiation Agreements. No increase in the rates of salaries, allowances, incentives and/or benefits will also be allowed unless specifically authorized by the President, upon the recommendation of the Governance Commission, pursuant to applicable laws, rules and regulations.

In 2017, the GCG has authorized nearly all of the SSL-covered GOCCs to adopt the Modified Salary Schedule, bridging the gaps in salaries between workers in National Government Agencies and those in the GOCC Sector. The Governance Commission has likewise begun evaluating the applications of SSL-exempt GOCCs who opted to adopt SSL IV. Such applications involve a series of submissions by, and meetings with, the applying GOCCs, depending on the complexities of the conversion of their current compensation frameworks to the new salary structure.

As of 31 December 2017, 66 GOCCs have submitted their application for E.O. No. 36, 35 of which have been granted approval.





GCG STREAMLINING EFFORTS

“The GCG regularly reviews its existing circulars and policies in keeping with its mandate to ensure the alignment and consistency of the GOCCs’ operations with the national development policies and programs, resulting to a more efficient and effective integration of programs, activities and priorities of the GOCCs.”

INTERIM PERFORMANCE-BASED BONUS (PBB) **GCG MEMORANDUM CIRCULAR (M.C.) NO. 2017-01**

In line with the President's directive during the 2017 SONA to standardize salaries, allowances, incentives, benefits and bonuses across the GOCC Sector, the GCG issued on 09 June 2017 GCG Memorandum Circular (M.C.) No. 2017-01 to amend the guidelines on the rates of Performance-Based Bonus (PBB) for officers and employees of GOCCs covered by Republic Act No. 10149 as provided under GCG M.C. No. 2017-01.

Said amendment was issued to harmonize the PBB rates with those of the National Government Agencies using the rates prescribed by the AO 25 Task Force in relation to GCG M.C. No. 2017-01. The revised rates, which shall be applied to FY 2017 PBB onwards, are in accordance with the policy of the Duterte Administration to promote prudence in spending, and to provide for a framework that is reasonable and appropriate based on the performance of the GOCCs.



INTERIM PERFORMANCE EVALUATION SYSTEM (PES) FOR THE GOCC SECTOR GCC MEMORANDUM CIRCULAR (M.C.) NO. 2017-02

Pursuant to the directive of the Cabinet Secretary to streamline processes, the Governance Commission issued on 30 June 2017 GCC Memorandum Circular (M.C.) No. 2017-02 entitled Interim Performance Evaluation System (PES) of the GOCC Sector to provide interim measures to supplement GCC M.C. No. 2013-02 (Re-Issued) in providing the framework

for setting the organizational targets of a GOCC.

Said measures were promulgated to enhance the design framework of the PES, and to resolve issues including, but not limited to, the absence of a working and/or complete Board, and the difficulty in obtaining a quorum due to “hold-over” status of some members of the GOCC Boards.





RAISING CORPORATE GOVERNANCE STANDARDS

Dusit Thani
HOTELS & RESORTS



"The second year of implementation of the CGS yielded significant improvements. From its first year's elite group of 5, the GOCCs that have achieved a CGS score of at least 80% doubled to 10 in the 2015 CG Scorecard Assessment. Overall, 64% of GOCCs made improvements in their respective CG Scorecards."



CORPORATE GOVERNANCE SCORECARD UPDATES

Established on 08 October 2015, the Corporate Governance Scorecard (CGS) for GOCCs was developed using a methodology benchmarked against the Organisation for Economic Co-operation and Development Principles of Corporate Governance (OECD Principles) and the ASEAN Corporate Governance Scorecard (ACGS).

The CGS, which works alongside the Performance Evaluation System (PES) in establishing a culture of excellence and improving public service in the GOCC Sector, seeks to recognize well-governed GOCCs, build better stakeholder relationships, and improve disclosure and transparency of GOCCs. Co-

created with corporate governance experts and stakeholders, the Governance Commission rolled out the CGS to ninety (90) GOCCs during the first quarter of 2016. To establish baseline, 2014 data of GOCCs were assessed during the initial implementation. After the assessment, findings showed that the current condition of the GOCC Sector needed much improvement, having a broad gap from the standards set by international best practices.

The second year of implementation of the CGS, which is the assessment of the 2015 CG Scorecard, yielded significant improvements. From its first year's elite group of 5, the GOCCs that have achieved a CGS score of at least 80% doubled to 10 in the 2015 CG Scorecard assessment. The total average CGS score of GOCCs also increased from 45.82% in 2014 CGS to 51.09% in 2015 CGS. Overall, 64% of GOCCs, representing 54 GOCCs, made improvements in their respective CG Scorecards.

Other notable changes during the second year of implementation of the CG Scorecard include improved disclosures of GOCCs on the "Role of Stakeholders." Majority of the GOCCs now have Annual Reports other than their Annual



Award for Excellence for GOCCs with a CGS score of at least 80%

Financial Statements (AFS). 36% of GOCCs have been quicker and more responsive in terms of the release of their Annual Reports within 30 days of receipt of the COA Audited Financial Report. 87% of GOCCs have adopted a Policy on Customer Welfare, while 82% have adopted a Policy on Environmentally-friendly Value Chain.


The top performers were Philippine Deposit Insurance Corporation (PDIC) with 99.50%, Land Bank of the Philippines (LBP) with 98.50%, Philippine Crop Insurance Corporation (PCIC) with 94.50%, Development Bank of the Philippines (DBP) with 91.50%, Bases Conversion Development Authority (BCDA) and LBP Leasing and Finance Corporation (LBP-LFC) both with 90.50%, Government Service Insurance System (GSIS) with 86.50%, PNOC

Renewables Corporation (PNOC-RC) with 86.00%, Philippine Reclamation Authority (PRA) with 82.50%, and Social Security System (SSS) with 81.00%. The Governance Commission aims to increase the average CGS score of GOCCs to 65% by 2020.

“ THE CGS WORKS ALONGSIDE THE PERFORMANCE EVALUATION SYSTEM IN ESTABLISHING A CULTURE OF EXCELLENCE AND IMPROVING PUBLIC SERVICE IN THE GOCC SECTOR. ”



THE INTEGRATED CORPORATE REPORTING SYSTEM (ICRS)



"The ICRS is intended to enhance the transparency and disclosure policies under R.A. No. 10149 on the operations, finances, and management of GOCCs, while amplifying the GCG's regulatory capacity using business analytics technology."



2014 ICRS Orientation and Workshop at the GCG Training Room

INTEGRATED CORPORATE REPORTING SYSTEM UPDATES

The Governance Commission has moved closer to its landmark goal of institutionalizing transparency and accountability in the GOCC Sector with the creation and successful roll out of the Integrated Corporate Reporting System (ICRS).

The ICRS is created to serve as the central source of relevant information on GOCCs not only for the Governance Commission but also for various concerned agencies, the media, and the general public.

Developed together with a third-party software development company called Sagesoft Solutions Inc., the ICRS is intended to enhance the transparency and disclosure policies under R.A. No. 10149 on the operations, finances, and management of GOCCs, while amplifying the GCG's regulatory capacity using business analytics technology. It also serves to simplify various reportorial requirements of the GOCCs.

Pursuant to the *GOCC Governance Act of 2011* (R.A. No. 10149), the ICRS is a web-based platform

that is intended to:

- (a) assist the State in the exercise of its ownership rights in the GOCC Sector through the provision of up-to-date, complete and relevant information;
- (b) streamline the various reportorial requirements for GOCCs; and
- (c) promote greater transparency and timely access to relevant information on the GOCC Sector through a single online web portal.

It consists of two (2) main data entry components obtained from the GOCCs, namely:

- (a) GOCC Monitoring System (GMS), which pertains to the financial information about the GOCC, such as but not limited to financial statements and corporate operating budgets; and
- (b) GOCC Leadership Management System (GLMS), which pertains to non-financial information regarding the GOCC's profile,

such as but not limited to the latest version of the charter, performance scorecards, organizational structure, and staffing patterns as well as information on incumbent Appointive Directors.

The GCG Memorandum Circular No. 2014-02 and Section 44 of the Code of Corporate Governance for GOCCs GCG Memorandum Circular No. 2012-07 require “[e]very GOCC, acting through its Board and Management, [to] ensure that it becomes an active and responsible member and contributor to the ICRS.”

In May 2014, the Governance Commission conducted a series of ICRS orientation and workshops attended by 273 officers and employees from 91 GOCCs to brief the representatives on the process for electronically submitting information to GCG, discussing the policies and guidelines of the ICRS, as well as the concomitant responsibilities and duties of GOCCs such as collecting all necessary information, completing the reports required by the GMS/GLMS, and electronically publishing and certifying the truthfulness and accuracy of the information submitted within the prescribed deadlines.

The workshops served as a venue not only to discuss the background, purpose, and usability/ accessibility of the ICRS, but also to tackle the differences in the account codes and accounting systems of the GOCCs in relation to the financial sub-system of the ICRS.

The GLMS was first rolled out in October 2014, which marked the first open season of the

initiative, followed by its second open season in October 2015, where 91 GOCCs have been deemed compliant.

The enhanced GMS, on the other hand, was first rolled out in April 2016 through a round of orientation and workshops where representatives were briefed on how to use

the new features on Account Maintenance for the Statement of Financial Position and Statement of Comprehensive Income that addressed the peculiarities in the accounting systems of several GOCCs. The second open season of the GMS was conducted in October 2016.

“ THE GCG HAS MOVED CLOSER TO ITS LANDMARK GOAL OF INSTITUTIONALIZING TRANSPARENCY AND ACCOUNTABILITY IN THE GOCC SECTOR WITH THE CREATION AND SUCCESSFUL ROLLOUT OF THE ICRS. ”

Following the issuance of COA Memorandum Circular No. 2015-010 which required all GOCCs to align their account codes with the COA Revised Chart of Accounts (RCA), the Governance Commission issued a letter to all GOCCs effectively suspending the implementation of the ICRS, specifically GMS.

GOCCs with domestic and foreign loans, or those with other forms of liabilities, however, are still required to comply with the subsystem of GMS called GOCC Debt Recording and Monitoring System (GDRAMS). Developed in-house by GCG's Information and Communications Technology Group (ICTG), and supervised in partnership with the Corporate Affairs Group of the Department of Finance (DOF-CAG), GDRAMS is an application intended as a tool for effective monitoring and management of GOCCs' loans. It aims to provide the National Government a comprehensive GOCCs debt data, a means for an easy review of GOCCs debt portfolio, and a clear analysis of GOCCs debt and strategy formulation. The DOF-CAG has identified 36 GOCCs with outstanding loans or other forms of liabilities to comply with GDRAMS.

Similarly, the implementation of the GLMS was also affected by Republic Act (R.A.) No. 10173, otherwise known as the *Data Privacy Act (DPA) of 2012*, since the Governance Commission requires the disclosure of personal information of the Appointive Directors in the Appointive Director Data Form (ADDF). Hence, the GCG finds it imperative to further enhance the GLMS to be in accordance with the provisions of the DPA on Criteria for Lawful Processing of Personal Information.



GCG FREEDOM OF INFORMATION (FOI)

"The GCG continues to practice and improve its handling and releasing of information to the public and hopes to maintain being a standard to be followed by other NGAs."



GCG FREEDOM OF INFORMATION (FOI)

In compliance with the policy embodied in Executive Order (E.O.) No. 2 issued on 23 July 2016, the Governance Commission adopted an Interim Freedom of Information (FOI) Manual. The FOI Manual embodies the pillars of “openness in government,” namely: (1) the duty to publish, (2) the use of the Filipino language in communications, and (3) the establishment and improvement of a document management system.

The FOI Manual balances promoting freedom of information with the responsibility to protect privacy. It therefore establishes the procedures to be followed in facilitating FOI requests as well as prescribing the administrative liabilities for violation of said procedures or failure to comply with the mandates of E.O. No. 2.

In December 2017, the Asian Development Bank (ADB) together with the Presidential Communications Operations Office (PCOO) hosted the 2017 FOI Summit at the ADB Headquarters in Mandaluyong which was attended by 200 local and international experts from various sectors. The two-day Summit provided a platform for communicating progress, sharing national experiences, acquiring international knowledge, and presenting the Philippine FOI Road Map. During a series of clinics, participants also worked on cases relating to topics which include information and records management, processing FOI requests, and proactive disclosure of information.

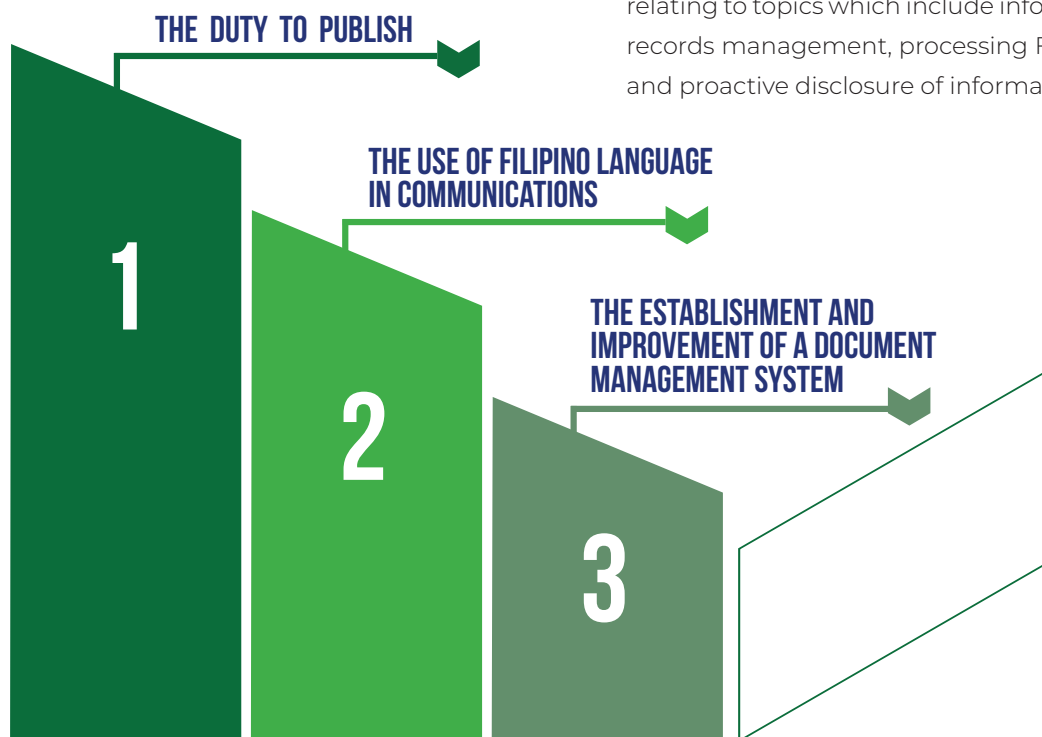
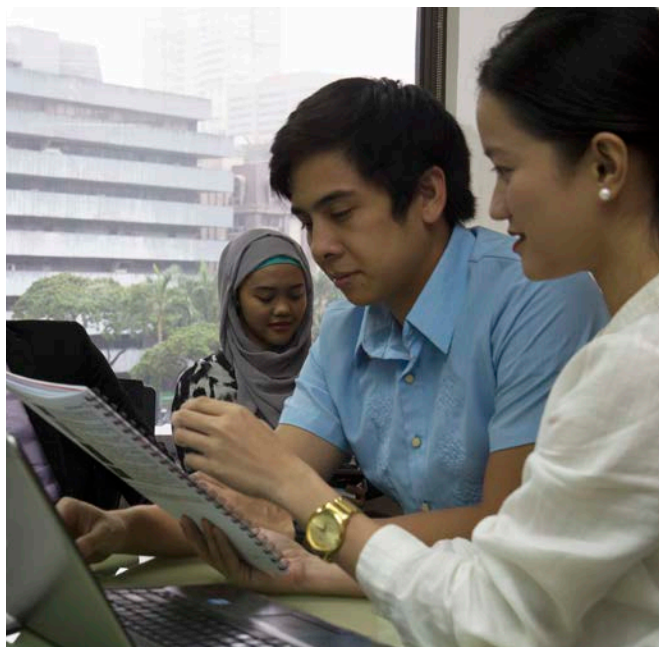


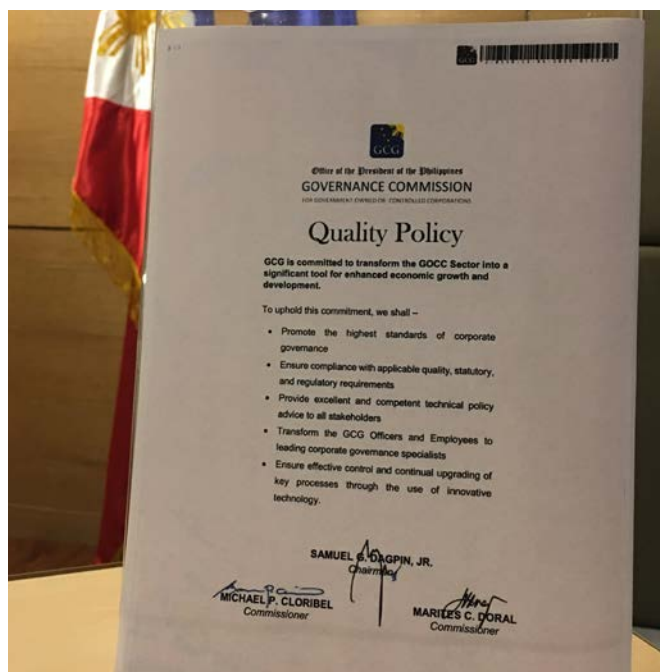
Figure 1. Pillars of Openness in the Government

The GCG, recognized as one of the National Government Agencies (NGAs) that demonstrated good practices in carrying out the policy of FOI, was given the privilege to present these five (5) good practices during the 2017 FOI Summit:

1 Transformation of GOCCs by 2022 is based on a citizen-centered and participatory governance approach. To achieve this, the Governance Commission undertakes Technical Panel Meetings with GOCCs within its oversight jurisdiction to evaluate the proposed Performance Scorecards of GOCCs. The GCG also launched the Whistleblowing Program to encourage whistleblowers to lodge complaints against erring GOCCs and the Governance Commission itself without fear of reprisal. The GCG has likewise established the Integrated Corporate Reporting System (ICRS) to enhance the transparency and disclosure policies under Republic Act (R.A.) No. 10149 on the operations, finances, and management of GOCCs.



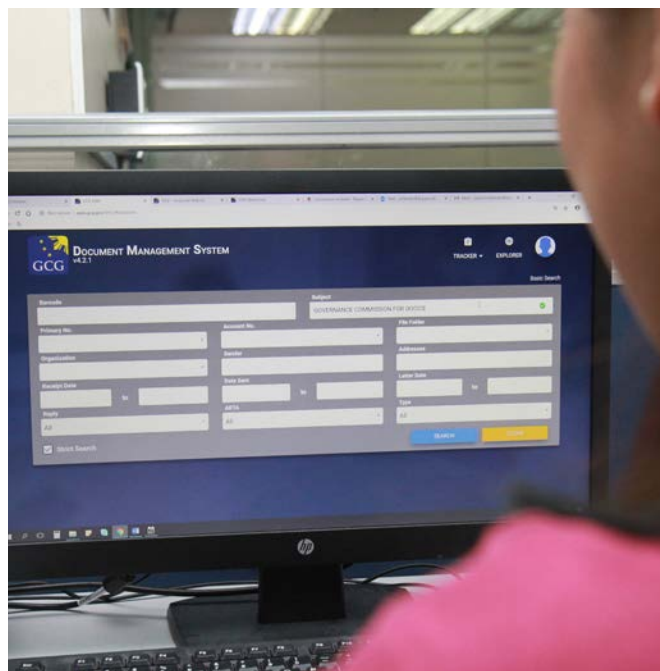
2 The Governance Commission has also instituted the adoption of the Quality Management System (QMS) (ISO 9001:2008) in GOCCs to link regular strategy and operations review to process re-engineering. GCG's own Quality Policy shows its commitment to transform the GOCC Sector into a significant tool for enhanced economic growth and development. The Governance Commission implements this Policy by adopting the QMS as part of the Good Governance Conditions for GOCCs for the latter to be eligible for a Performance-Based Bonus (PBB). It is also a target for the Performance Evaluation System (PES) of GOCCs, and is verified through the ISO Certification of the GOCC.



3

To demonstrate that it walks the talk, part of GCG's implementation of its own QMS is the Document Management System (DMS) for processing all data and information requests.

The Governance Commission is currently in the process of migrating its DMS from its existing benchmark for the system, i.e. the court docketing system, to that of the National Archive of the Philippines (NAP). The process flow for the DMS is rightly documented and reflected in an Operations Manual, and is also easily accessed by the GCG Officers and Employees.



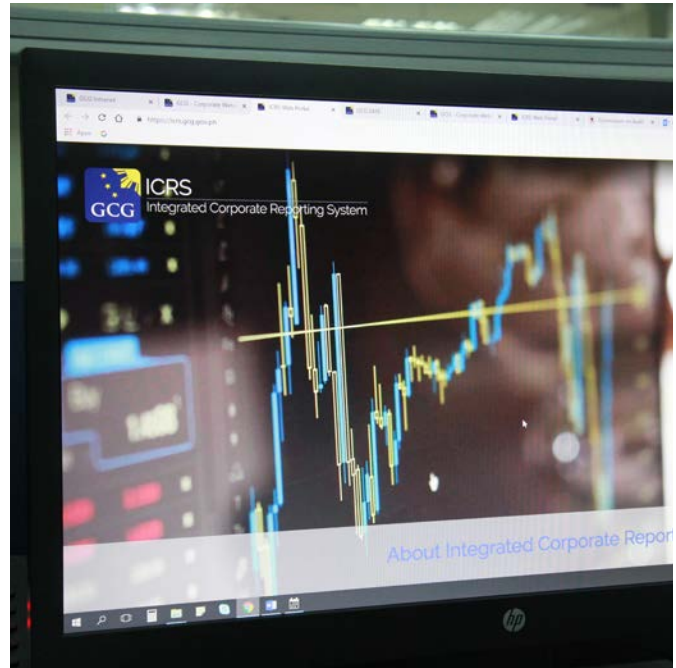
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For ease of access and retrieval of documents and records, the Governance Commission has put in place a Document Classification and Distribution Reference (DCDR) Matrix where documents are classified depending on the kind of security access GCG Officers and Employees have, much of which is determined by its FOI disclosure type.



5

Mandated under R.A. No. 10149 which created the Governance Commission and under the Code of Corporate Governance for GOCCs, the ICRS is the GCG's key policy tool in pursuing good governance, transparency and disclosure in the GOCC Sector. It was created to serve as the central repository of GOCC's financial information, including financial statements and corporate operating budgets, and of non-financial information such as GOCC Charters, Performance Scorecards, Organizational Structures, information on GOCCs' incumbent Appointive Directors, and other relevant data useful not only within the GOCC Sector but also for the general public. The ICRS can be viewed by the public through the ICRS Web Portal found in the GCG's website.



The Governance Commission continues to practice and improve its handling and releasing of information to the public, and hopes to maintain being a standard to be followed by other NGAs. Currently, other NGAs have reached out seeking to adopt GCG's DMS in recognition of its efficiency and ease of use.





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GCG STRENGTHENING TIES



"From working closely with other National Government Agencies and local organizations, the GCG has further developed its ties to reach and exchange knowledge with international bodies."

JASA Corporation CEO Yoshitaka Kitaguchi and AFRECO President Tetsuro Yano greeting the key officials from various GOCCs at the Philippine Visit of AFRECO and JASA Corporation on 15 February 2017 at the Tower Club, Makati





Oriental Consultants Co. Ltd. General Manager Yuji Asano, JASA Corporation CEO Yoshitaka Kitaguchi, AFRECO President Tetsuro Yano, GCG Chairman Samuel G. Dagpin, Jr., GCG Commissioner Michael P. Cloribel, and JASA Corporation Senior Adviser Yuji Munakata at the Philippine Visit of AFRECO and Jasa Corporation on 15 February 2017 at the Tower Club, Makati

The Governance Commission continues to expand its ties with institutions that share a similar vision of changing the GOCC Sector into a significant tool in further enhancing economic growth and developing the nation. From working closely with other National Government Agencies and local organizations, the GCG has further developed its ties to reach and exchange knowledge with international bodies.

2017 MEETING WITH THE KEY OFFICIALS FROM JAPAN

The meetings of President Rodrigo R. Duterte and Japanese Prime Minister Shinzo Abe in October 2016 and January 2017 had been instrumental in the decision to harness the Official Development Assistance (ODA) to support inclusive growth and sustainable development in the Philippines.

Taking a cue from the words of President Duterte during his Official Working Visit in Tokyo, Japan in October 2016 that both countries can take things to a higher level by

harnessing their respective strengths for the growth of both economies, the Governance Commission took on a proactive role in creating a venue where key officials from Japan and select GOCCs can meet and share their business operations and interests, in the hopes of forging a constructive dialogue and fruitful cooperation in the future.

Hosted by the GCG on 15 February 2017 at the Tower Club, the Meeting was attended by Senator Tetsuro Yano, President of



GCG Officers with the Japanese Delegation at the dinner hosted by Japanese Ambassador Kazuhide Ishikawa

the Association of African Economy and Development (AFRECO), Mr. Yoshitaka Kitaguchi, President and CEO of JASA Corporation, Mr. Yuji Asano, General Manager of Oriental Consultants Co., Ltd., and key officials from GOCCs from the utilities, energy and materials, area development, and fisheries sectors, and ecozone authority. During the Meeting, each GOCC was given an opportunity to present a broad overview of its

GOCC profile, short-term and long-term goals, and a current update on its status as a GOCC.

The Japanese delegation's itinerary also included of a visit to the Clark Development Corporation (CDC) in Clark, Pampanga, followed by a meeting with Finance Secretary Carlos Dominguez III at the Bangko Sentral ng Pilipinas, and a dinner hosted by Ambassador Kazuhide Ishikawa.

GCG Strategy Management Division (SMD) with the key officials of AFRECO and JASA Corporation at the Philippine Visit of AFRECO and Jasa Corporation on 15 February 2017 at the Tower Club, Makati



TRAINING ON RAILWAY AND LOGISTICS POLICY

In July 2017, three (3) representatives from the Governance Commission attended the Railway Policy and Safety Course and the Logistics Policy and Operation Course, sponsored by the Korean Government through its Ministry of Land, Infrastructure and Transport (MOLIT), and conducted by the Korea Railroad Corporation (KORAIL), a state-owned enterprise of the Republic of Korea. The two (2) professional training programs on Railway Policy and Safety, and Logistics Policy and Operation aim to share knowledge and know-how through lectures, technical visits and experiences about the transport system of Korea.

The Railway Policy and Safety Course included topics on Korea's integrated operating system

of high-speed, intercity, subway, and freight trains, as well as management and safety of Korean railways. The objective of the course is to broaden the knowledge of the delegates in railway policy and safety, and to create an immersive experience of Korea's train and station operations, which they can study, evaluate and apply in their home countries.

The Logistics Policy and Operation Course, on the other hand, included topics on the operation and management of logistics infrastructure (including intermodal transport), as well as informatization and standardization of logistics. Specifically, there were lectures on port industry, port operation, and port logistics management, as well as policies and trends in air

Participants of the Training Program on Railway Policy and Safety at Uiwang City, South Korea. The delegates come from different ASEAN countries, namely, Cambodia, Indonesia, Malaysia, Philippines, Singapore, Thailand, and Vietnam.





cargo, together with on-site visits to Pyeongtak Port, Incheon Airport, and Uiwang Inland Container Depot. The objective of the course is to enhance the understanding of the delegates of Korea's logistics, and strengthen their ability to formulate, implement and evaluate their countries' urban and regional development policies and projects. It also provided a venue for an inter-agency/cross-cultural exchange of ideas concerning logistics, and reform through group dynamics including country report presentations and discussions.

The highlight of the training programs includes the visit to KORAIL's High Speed Centralized Traffic Control (CTC) which is responsible for a world record in punctuality rate of trains of 99.79%, and accident rate of 0.062/million kilometer. During the visit, the delegates were educated on KORAIL's preventive and safety measures incorporated in the railway system, including protective staff crossing, dragging equipment detector, metrological detector, tunnel alarm control box, rail temperature control panel, earthquake warning system, intrusion detector, hot box detector and point heater control box.

Since 2014, the GCG has been a participant to these training programs that serve as an opportunity for ASEAN members to broaden their understanding of railways and logistics, and strengthen cooperation between Korea and ASEAN members. The courses of each training program allowed the delegates to assess the current state of the railway systems, and transportation system in general of their respective countries. Through these courses, the representatives from the Governance Commission have developed a deeper appreciation for the transportation industry where several GOCCs have contributed for the economic progress of the Philippines. The knowledge gained from these courses also serves as tools to improve the oversight and governance function of the GCG.

Other members of the Philippine delegation were representatives from the Department of Transportation (DOTr), Department of Trade and Industry (DTI), Philippine National Railways (PNR), Light Rail Transit Authority (LRTA), and the Metro Rail Transit (MRT).



10TH MEETING OF THE OECD-ASIA NETWORK ON CORPORATE GOVERNANCE OF SOES IN MALAYSIA

The Organisation for Economic Co-operation and Development (OECD)-Asia Network on Corporate Governance of State-Owned Enterprise (Asia-SOE Network) provides a forum for representatives of government bodies responsible for SOE oversight and monitoring, as well as relevant non-governmental stakeholders and experts active in promoting SOE governance reform to share experiences, identify good practices and develop recommendations for reform. These are geared towards improving state ownership arrangements and strengthening the corporate governance of state-owned enterprises (SOEs). Based on discussions during Network meetings, the Asia-SOE Network also aims to release studies specific to SOE governance and reform by assessing the practices across participating countries.

Since the relaunch of the Asia SOE Network in 2015, the Governance Commission has represented the Philippines in the Network's meetings. GCG has also been a participant to the OECD Working Party on State Ownership and Privatisation Practices since 2015, together with thirty-five (35) OECD Member countries. Participating to the meetings of the Asia-SOE Network and the OECD Working Party enables the GCG to share the progress of the Philippine GOCC Sector and learn from best practices and reforms adopted by similar SOE oversight agencies across Asia and the world.





10th Meeting of the OECD Asia-SOE Network. GCG representative, Atty. Karen Tangco-Pascasio (middle), leads the discussion after the presentation of the Malaysian representatives

HIGHLIGHTS OF THE 10TH MEETING OF THE OECD ASIA-SOE NETWORK

The 10th meeting of the Asia-SOE Network provided opportunity to exchange national experiences and good practices among national policy makers in Asia regarding recent and ongoing reforms in the SOE Sector, especially on managing risk and promoting business integrity.

During the meeting, participants learned from ownership and corporate governance landscape for SOEs in the host country, Malaysia, particularly from the state holding company Khazanah Nasional Berhad and the Malaysian Directors Academy. The Malaysian speakers reported that their recent SOE reforms were demonstrated through a greater culture of meritocracy rather than political patronage. Khazanah shared the achievements of their Transformation Programme for Government-Linked Companies (GLC) which are the attraction of right talent for the GLCs by providing compensation that is aligned with market rates, and the increased productivity and shareholder returns.

Through the discussion of the Malaysian representatives, participants in the meeting also discussed challenges or issues such as the regular practice of political intervention at

the highest levels in SOEs in Malaysia and in neighboring Asian countries, the need for more diversity on SOE Boards (i.e. in terms of gender, function, and experience), and the need to attract the right talent to SOE Boards through sufficient, market consistent remuneration levels.

Representatives from India, Myanmar, China, and Vietnam also shared the recent developments in SOE ownership and governance practices in their respective jurisdictions. Notably, these countries are working toward further improvement of corporate governance practices of their SOEs.

Speakers from Bhutan, United Kingdom, and India discussed policies and practices to ensure that the risk SOEs face – including financial risks, but also broader operational and strategic risks – are effectively managed and, as appropriate, disclosed.

Bhutan discussed how they institutionalized the risk management process in their SOEs by establishing a policy and framework based on ISO standards, and by setting the risk management process as a “Compact Target” in 2017.

The United Kingdom state shareholder discussed their national risk management system for SOEs which is characterized by “escalation routes” between them and the SOE boards and management. In the UK, the state shareholder established principles for SOEs to implement instead of defining a process for every SOE to implement.

During the open discussion, speakers shared their insights on managing reputational risks and how to balance implementing enterprise risk management while maintaining the competitiveness of the company.

The Philippines, along with representatives from Thailand, Kazakhstan, and Pakistan, shared about national approaches and practices to promote business integrity within SOEs.

The Philippines and Kazakhstan shared their own corporate governance code. GCG Commissioner Marites C. Doral discussed the Code of Corporate Governance for GOCCs which directs SOEs to establish a risk management committee. Commissioner Doral also highlighted the transparency and anti-corruption efforts of the Governance Commission which includes the Integrated Corporate Reporting System and the Whistleblowing Web Portal.

Both Thailand and Pakistan were developing a policy to promote business integrity.

The open discussion pointed to a conclusion that corruption is generally prevalent in many Asian economies. However, it was worth noting that the participating countries have been implementing measures to curb corruption in SOEs.

Lastly, participants from Korea, Malaysia, and Vietnam discussed their national practices on disclosure by SOEs.

The meeting concluded by discussing future work of the Asia SOE Network which includes monitoring, sharing good practices and challenges experienced by governments in undertaking SOE reforms, undertaking analysis of ownership and regulatory issues for SOEs at the sub-national level in Asia, and using the Network as forum for the countries to seek advice and guidance from contemporaries regarding SOE reforms.

The Governance Commission continues to actively participate in the meetings and studies of the Asia SOE Network and the OECD Working Party on State Ownership and Privatisation Practices to ensure that it promotes local best practices and learn from global approaches in corporate governance of SOEs.

10th Meeting of the OECD Asia-SOE Network. GCG representative, Atty. Karen Tangco-Pascasio (middle), leads the discussion after the presentation of the Malaysian representatives



2017 SEMINAR ON SOE REFORM AND GOVERNANCE FOR DEVELOPING COUNTRIES

Ten (10) Officers and Employees of the Governance Commission attended the 2017 Seminar on SOE Reform and Governance for Developing Countries in China from 08 to 28 September 2017. The 21-day Seminar aimed to promote policy exchanges and project cooperation to help strengthen the competency of the participants on state-owned enterprises (SOE) policy making. It included lectures and site visits to Chinese public and private enterprises and research institutes in Beijing, Shenzhen, and Dongguan, which was sponsored by the Ministry of Commerce, organized by the International Cooperation Center of National Development and Reform Commission (NRDC) in cooperation with the State-Owned Assets Supervision and Administration Commission (SASAC) of the People's Republic of China (PRC).

SASAC may be considered as the Chinese counterpart of GCG. It performs investor's responsibilities on behalf of the state, supervises and manages the state-owned assets of the enterprises under the supervision of the Central Government, and enhances the management

of state-owned assets. As an overview, Chinese state-invested enterprises are classified into four (4) categories: solely state-owned enterprises, wholly state-owned companies; state-owned capital controlling companies, and state-owned capital holding companies. SASAC directly conducts investor's responsibilities in 110 non-financial central SOEs. As of end of 2014, there are 38,000 legal entities affiliated to the 110 central SOEs with total assets, sales revenue, and profits before tax accounting of \$6 trillion, \$4 trillion, and \$210 billion, respectively.²

Lecturers from SASAC discussed topics that include State-Owned Assets Supervision Framework and Top-Level Design, Future Direction of SOE Reform, Corporate Governance of SOEs, Practice of Boards of Directors, Financial Supervision of SOEs, the System and Practice of Central Enterprise Examination and Distribution, Central Enterprise Investment Supervision and Post-Evaluation Situation, SOE Reorganization and Revenue Management, Central Enterprise Restructuring, Merger and Reorganization, Social Responsibility Management of SOEs, and

2 State-Owned Enterprises in Asia: National Practices for Performance Evaluation and Management (2016).

2017 Seminar on SOE Reform and Governance for Developing Countries in China. The delegates come from various developing countries, namely, the Philippines, Ethiopia, Mauritius, Namibia, Botswana, Cameroon, Ghana, Zambia, and Gambia





The entire delegation during the cultural visit to Beijing National Stadium, otherwise known as The Bird's Nest, in Beijing, China

Market-Oriented Operation of China's State-Owned Property Right Transfer.

On 21 September 2017, GCG Director Johann Carlos Barcena was invited to speak at the "Belt & Road" Infrastructure Construction Planning Exchange during the 2017 Guangdong 21st Century Maritime Silk Road International Expo in Dongguan. Director Barcena shared the Philippine economic outlook, and existing areas explored for investment participated by Philippine SOEs, or generally referred to as GOCCs.

As a culminating activity, the delegates presented a Country Report to share the SOE reforms and governance in their own home countries. Director Barcena represented the Philippines, and shared how the Governance Commission institutionalizes state ownership reforms in the GOCC Sector including the Performance Evaluation System (PES) that has brought strategy and responsibility for corporate performance to the Board room, and the Performance Evaluation for Directors (PED) to ensure that only those who obtained an individual performance score of at least above average may be considered for reappointment for the following term.

The enterprise visits during the 21-day Seminar include a tour of SASAC, China General Nuclear Power Group, Overseas China Town (OCT) Wetland Park, OCT-LOFT Complex, China Energy Conservation and Environmental Protection Group (CECEP), Ace Electronics Enterprise (AEE) Technology Co., Ltd., China Communications Technology (CCT) Corp., Ltd., and Baicells Technologies Co., Ltd.

Other participants were government officials from Ethiopia, Mauritius, Namibia, Botswana, Cameroon, Ghana, Zambia and Gambia.

GCG Director Johann Carlos Barcena at the "Belt & Road" Infrastructure Construction Planning Exchange during the 2017 Guangdong 21st Century Maritime Silk Road International Expo in Dongguan on 21 September 2017





THE GCG STRATEGY MAP



“The GCC Strategy Map is an overarching strategy that seeks buy-in and participation from all GCC stakeholders to attain the vision of a GOCC Sector that is more responsive to the needs of public interest.”



By 2022, the GCG shall have changed the GOCC Sector making it more responsive to the needs of public interest and in the attainment of enhanced economic growth and development

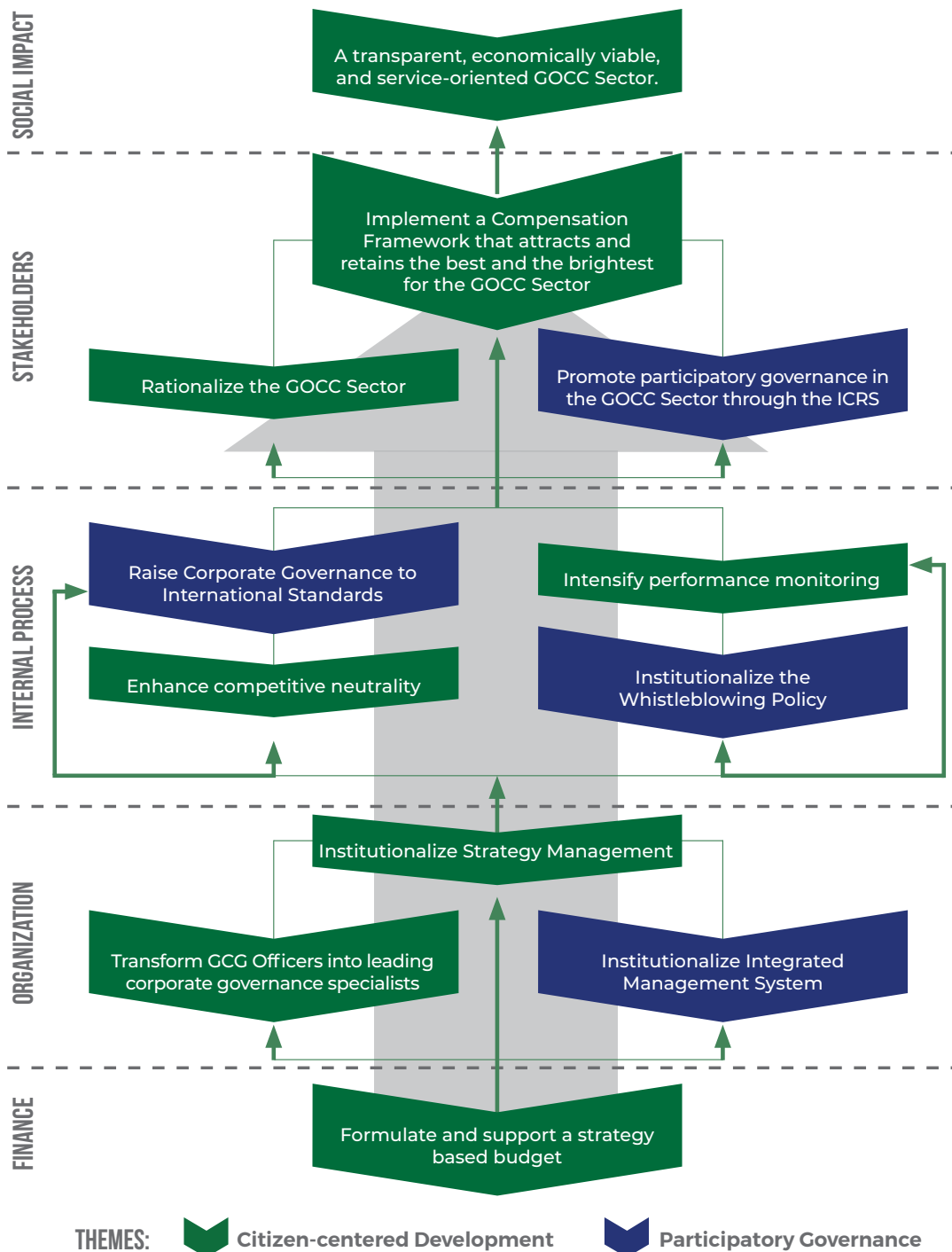


Figure 2. GCG Strategy Map

The GCG Strategy Map is an overarching strategy that seeks buy-in and participation from all GCG stakeholders directed towards attaining the Vision for the whole GOCC Sector to be “more responsive to the needs of public interest and in the attainment of enhanced economic growth and development.”

The strategic objectives contained in the GCG Strategy Map are anchored on the themes Citizen-centered Development and Participatory Governance. Each objective is a step towards changing the GOCC Sector into a tool for citizen-centered development, and engaging the public in the process of creating policies for providing quality programs and services for the Filipino people.

In a nutshell, the GCG Strategy Map tells the story of how the Governance Commission must sufficiently allocate its resources to be able to equip and capacitate the organization, which is supported by efficient internal processes, to effectively perform our mandate, and to expediently deliver services that will impact our stakeholders. By doing all these, the GCG hopes that the greater social impact is that we will have a transparent, economically-viable, and service-oriented GOCC Sector.

These strategic objectives are what the Governance Commission aims to accomplish to achieve its Vision.

SOCIAL IMPACT

On attaining a transparent, economically-viable, and service-oriented GOCC Sector, the GCG has developed a Standard Methodology on Customer Satisfaction Survey to measure the percent of GOCCs with Satisfactory Rating.



STAKEHOLDER

On rationalizing the GOCC Sector, the Governance Commission has rationalized/reorganized thirty-five (35) out of ninety-eight (98) GOCCs or 36% of the identified GOCCs. It has also recommended to the President a total of nine (9) GOCCs for dispositive action, an accomplishment which is 300% more than its target for 2017.

On promoting participatory governance in the GOCC Sector through the ICRS, the GCG has officially launched the ICRS Public Portal and started measuring the percent of users who rate the Portal as Satisfactory.

On implementing a Compensation Framework that attracts and retains the best and the brightest in the GOCC Sector, the GCG target of eight (8) GOCCs that have implemented the Compensation and Position Classification System (CPCS) by the end of 2017 has not been achieved. This is because of the issuance of Executive Order (E.O.) No. 36 that effectively suspended the CPCS pending its re-evaluation.



INTERNAL PROCESS

On institutionalizing the Whistleblowing Policy, the GCG has resolved with final action 100% of whistleblowing reports within forty-five (45) calendar days from receipt of complete documents.

On intensifying performance monitoring, the quarterly validation of Performance Scorecards of GOCCs was put on hold since the Governance Commission is still in the process of finalizing said Scorecards. The GCG Memorandum Circular

(M.C.) No. 2017-02 on Interim Performance Evaluation System (PES) for the GOCC Sector likewise provided for changes in the current performance target setting practices.

On raising corporate governance to international standards, the total GOCC Sector obtained an average score of 51% in the Corporate Governance Scorecard, 4% short of the target GOCC Sector average score of the GCG.

On enhancing competitive neutrality, the Governance Commission has recommended to the President for decoupling one (1) out of the two (2) target GOCCs with conflicting regulatory and commercial functions.

ORGANIZATION

On transforming the GCG Officers and Employees into leading corporate governance specialists, the Governance Commission is currently updating the GCG Competency Model to measure the average competency level of the organization.

On institutionalizing Strategy Management, the GCG has conducted a Proficiency in Strategy Management Survey, and has obtained Level of Good Practice based on the Performance Governance System Rating Scale.

On institutionalizing Integrated Management Systems, the target to be certified in ISO 9001:2015 Standards was postponed to 2018. Nonetheless, the GCG has been re-certified in ISO 9001:2008 Standards in 2017. The Governance Commission is also drafting an internal policy on IT Risk Management System.

FINANCE

On formulating and supporting a strategy-based budget, the GCG has only attained 71.4% budget utilization rate, 18.6% short of the target 90% budget utilization rate.





GCG CULTURE AND VALUES



"The GCG fosters a culture of hard work and quality of delivery, in an environment with strong teamwork, mutual respect, and a spirit of camaraderie."

GCG CULTURE AND VALUES

The GCG employees are a crucial source of strength of the Governance Commission. They are critical in the ability of the Commission to effectively deliver its mandate of being a champion for good corporate governance in the public sector. From a staff strength of nine (9) officers and employees in 2011, the GCG has grown to more than one-hundred (100) bright and competent civil servants in 2017.

The GCG Commission En Banc
GCG Commissioner Marites Cruz-Doral, DOF Secretary Carlos G. Dominguez, GCG Chairman Samuel G. Dagpin, Jr., DBM Secretary Benjamin E. Diokno, and GCG Commissioner Michael P. Cloribel





LOVE OF COUNTRY

We put country above self

As public servants, GCG is dedicated in putting prime importance to serving its most important stakeholders—the Filipino people.





The GCG Management Committee

(Top Row) Dir. Gene Carl L. Tupas, Dir. Johann Carlos S. Barcena, Dir. Jacqueline D. Ponseca, Dir. Michael D. Pabalinas, Atty. Merry M. Baring, Dir. Jaypee O. Abesamis, Dir. William Angelo B. Ruyeras
(Bottom Row) Atty. Christina Faye M. Condez, Commissioner Marites Cruz-Doral, Chairman Samuel G. Dagpin, Jr., Commissioner Michael P. Cloribel, Atty. Juliet Marie M. Guevara, Dir. Annabelle B. Duka



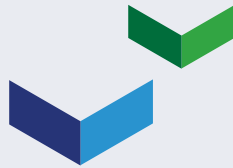
The GCG Directors Committee



The Office of the Commission Proper



The Office of the General Counsel



INTEGRITY

We are honest, we speak the truth, and we walk the talk



The GCG Commission Proper



The Strategy Management Division under the Office of the Commission Proper



The Information and Communications Technology Group under the Office of the Commission Proper



GCG has always been committed to walk the talk, ensuring that good governance begins within the organization, and not asking the GOCCs what the Governance Commission itself cannot do.



PROFESSIONALISM

We believe in and practice meritocracy, we aspire for the highest standard of excellence and service.



The Corporate Standards Office



The Corporate Governance Office A



The Corporate Governance Office B



GCG CULTURE AND VALUES



GCG demands GOCCs to practice extraordinary diligence in the conduct of its business, and thus demands the same in the organization.



The Administrative and Finance Office



The Administrative Division under the Administrative and Finance Office



INDEPENDENCE

We believe in and practice transparency,
accountability, and fairness



The Finance Division under the Administrative and Finance Office



The Human Capital Management Division under the Administrative and Finance Office



The Procurement Management Division under the Administrative and Finance Office

GCG CULTURE AND VALUES

The Governance Commission fosters a culture of hard work and quality of delivery, in an environment with strong teamwork, mutual respect, and a spirit of camaraderie. Over the years, the GCG has built a culture that values work-life balance, and encourages better interpersonal relationships in the organization.

GCG Officers and Employees at the 2017 Annual Sportsfest and Team Building Activity in Antipolo





The Governance Commission believes in a positive and enjoyable workplace where creativity is nurtured, self-expression is encouraged, and core values are upheld.





Participants taking the Oath of Sportsmanship led by Commissioner Michael P. Clorbel



The Steering Committee of the 2017 Annual Sportsfest and Team Building Activity



GCG Employees in between games at the 2017 Annual Sportsfest and Team Building Activity



House of Gryffindor as the overall champion of the 2017 Annual Sportsfest and Team Building Activity



House of Gryffindor awarded as Champion of the 2017 Annual Sportsfest and Team Building Activity



House of Ravenclaw ranked third at the 2017 Annual Sportsfest and Team Building Activity



House of Slytherin bagged the First Runner-Up Award at the 2017 Annual Sportsfest and Team Building Activity



House of Hufflepuff finished in last place at the 2017 Annual Sportsfest and Team Building Activity



GCG AUDITED FINANCIAL STATEMENTS





The audit conducted involved performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considered internal controls relevant to the entity's preparation, and fair presentation of the financial statements, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness on the entity's internal control. The audit also included evaluating the appropriateness of accounting policies used, and the reasonableness of accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

Based on the audit evidence presented which were deemed by the auditors sufficient and appropriate to provide basis for an audit opinion, the Commission on Audit finds that:

In our opinion, the financial statements present fairly, in all material aspects, the financial position of the Governance Commission for Government Owned and Controlled Corporations as [of] December 31, 2017 and 2016 and its financial performance and its cash flows for the year then ended in accordance with Philippine Public Sector Accounting Standards.³

³ Independent Auditor's Report, Annual Audit Report on the Governance Commission for GOCCs for Calendar Year 2017.

GOVERNANCE COMMISSION FOR GOCCs (GCG)
STATEMENT OF FINANCIAL POSITION
REGULAR AGENCY FUND
AS OF DECEMBER 31, 2017
(IN PHILIPPINE PESO)



	Note	2017	2016
ASSETS			
Current Assets			
Cash and Cash Equivalents	5	1,819,784.14	1,254,222.83
Receivables	6	5,125,951.21	2,594,850.24
Inventories	7	1,746,250.53	1,094,287.41
Other Current Assets	8	546,834.53	3,095,211.97
Total Current Assets		<u>9,238,820.41</u>	<u>8,038,572.45</u>
Non-Current Assets			
Property, Plant and Equipment	9	104,420,792.56	111,377,584.16
Intangible Assets	10	1,158,719.47	2,021,654.95
Total Non-Current Assets		<u>105,579,512.03</u>	<u>113,399,239.11</u>
Total Assets		<u>114,818,332.44</u>	<u>121,437,811.56</u>
LIABILITIES			
Current Liabilities			
Financial Liabilities	11	6,790,729.44	3,763,064.40
Inter-Agency Payables	12	1,177,621.44	1,213,342.02
Trust Liabilities	13	1,893,911.10	1,950,140.07
Other Payables	14	1,659,149.61	74,943.65
Total Current Liabilities		<u>11,521,411.59</u>	<u>7,001,490.14</u>
Total Liabilities		<u>11,521,411.59</u>	<u>7,001,490.14</u>
Total Assets less Total Liabilities		<u>103,296,920.85</u>	<u>114,436,321.42</u>
NET ASSETS/EQUITY			
Accumulated Surplus/(Deficit)		<u>103,296,920.85</u>	<u>114,436,321.42</u>
Total Net Assets/Equity		<u>103,296,920.85</u>	<u>114,436,321.42</u>

**GOVERNANCE COMMISSION FOR GOCCs (GCG)
STATEMENT OF FINANCIAL PERFORMANCE
REGULAR AGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 2017
(IN PHILIPPINE PESO)**

	Note	2017	2016
REVENUE			
Service and Business Income	15	1,969.58	1,144.98
Other Non-Operating Income	16	102,940.00	-
Total Current Revenue		<u>104,909.58</u>	<u>1,144.98</u>
LESS: CURRENT OPERATING EXPENSES			
Personnel Services	17	70,931,978.38	62,398,427.50
Maintenance and Other Operating Expenses	18	48,061,386.41	49,734,979.18
Financial Expenses		350.00	-
Non-Cash Expenses	19	9,121,905.44	9,003,661.38
Total Current Operating Expenses		<u>128,115,620.23</u>	<u>121,137,068.06</u>
DEFICIT FROM CURRENT OPERATIONS		(128,010,710.65)	(121,135,923.08)
Net Financial Assistance/Subsidy	20	118,884,583.69	114,619,373.88
Gains		-	68,500.00
Losses		-	(5,432.49)
DEFICIT FOR THE PERIOD		<u>(9,126,126.96)</u>	<u>(6,453,481.69)</u>



**GOVERNANCE COMMISSION FOR GOCCS (GCG)
STATEMENT OF CASH FLOWS
REGULAR AGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 2017
(IN PHILIPPINE PESO)**

	Note	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Inflows			
Receipt of Notice of Cash Allocation	20	143,371,831.00	130,260,676.00
Collection of Income/Revenues		102,940.00	69,644.98
Trust Receipts	21	490,800.05	150,694.62
Other Receipts	22	257,659.38	159,245.49
Adjustments		-	8,928.26
Total Cash Inflows		144,223,230.43	130,649,189.35
Cash Outflows			
Remittance to National Treasury		293,387.67	182,219.44
Payment of Expenses	23	77,820,482.26	81,104,194.96
Purchase of Inventories		488,639.44	76,041.33
Grant of Cash Advances		2,488,565.62	1,183,181.55
Prepayments		2,015,781.66	3,601,056.17
Refund of Deposits		796,185.60	396,291.12
Payment of Accounts Payables	24	3,706,408.73	3,806,558.48
Remittance of Personnel Benefits			
Contributions and Mandatory Deductions	25	11,764,419.59	10,032,419.51
Release of Inter-Agency Fund Transfer	26	5,437,272.84	294,779.10
Other Disbursements	27	1,274,012.24	2,519,950.81
Reversal of Unutilized NCA	19	36,416,653.50	27,429,849.43
Adjustments		-	1,909,288.79
Total Cash Outflows		142,501,809.15	132,535,830.69
NET CASH USED IN OPERATING ACTIVITIES		1,721,421.28	(1,886,641.34)
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash Outflow			
Purchase/Construction of Property, Plant and Equipment	28	1,155,859.97	66,723.22
Total Cash Outflows		1,155,859.97	66,723.22
NET CASH USED IN INVESTING ACTIVITIES		(1,155,859.97)	(66,723.22)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		565,561.31	(1,953,364.56)
CASH AND CASH EQUIVALENTS, JANUARY 1		1,254,222.83	3,207,587.39
CASH AND CASH EQUIVALENTS, DECEMBER 31		1,819,784.14	1,254,222.83

**GOVERNANCE COMMISSION FOR GOCCs (GCG)
STATEMENT OF CHANGES IN NET ASSETS/EQUITY
REGULAR AGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 2017
(IN PHILIPPINE PESO)**

	Note	2017	2016
BALANCE AT JANUARY 1		114,436,321.42	123,194,969.25
Add/(Deduct):			
Prior Period Adjustments	4	(1,719,885.94)	(2,122,946.80)
Restated Balance		<u>112,716,435.48</u>	<u>121,072,022.45</u>
Add/(Deduct):			
CHANGES IN NET ASSETS/EQUITY FOR THE CALENDAR YEAR			
Surplus (Deficit) for the period		(9,126,126.96)	(6,453,481.69)
Adjustment of net revenue recognized directly in net assets/equity	30	(293,387.67)	(182,219.34)
BALANCE AT DECEMBER 31		<u><u>103,296,920.85</u></u>	<u><u>114,436,321.42</u></u>

The background of the cover is a photograph of a lush green rice field in the foreground, a dense line of trees in the middle ground, and a distant city skyline under a blue sky with scattered white clouds. Overlaid on the image are several white, thin-lined geometric shapes, including rectangles and chevrons, some of which are tilted. A large, solid dark blue triangle is positioned in the bottom right corner, containing the title text.

GOCC SECTOR FINANCIAL SUMMARIES

(In Philippine Peso)

GOCCs by SECTOR		ASSETS		LIABILITIES		NET WORTH	
		F.Y. 2016	F.Y. 2017	F.Y. 2016	F.Y. 2017	F.Y. 2016	F.Y. 2017
I. GOVERNMENT FINANCIAL INSTITUTIONS SECTOR		4,365,868,470,021	4,821,399,244,010	2,109,911,188,054	2,390,886,603,996	2,265,118,452,363	2,430,512,640,314
Banking Institutions		1,948,978,527,164	2,223,116,315,210	1,812,419,648,280	2,069,539,069,320	136,558,878,884	153,577,245,890
1.	Al-Amanah Islamic Investment Bank of the Philippines	AIIBP	629,796,740	734,200,357	331,070,120	495,558,274	238,642,083
2.	Development Bank of the Philippines	DBP	536,110,553,000	597,410,164,000	491,737,585,000	550,230,093,000	44,372,968,000
3.	***DBP Data Center, Inc.	DCI	150,801,483	174,047,368	99,210,478	125,703,694	51,591,005
4.	Land Bank of the Philippines	LBP	1,399,759,397,099	1,614,910,420,000	1,309,540,276,496	1,510,314,266,000	90,219,120,603
5.	***Land Bank Countryside Dev't Foundation, Inc.	LCDFI	107,244,497	105,039,985	3,579,144	1,976,575	103,665,353
6.	***LBP Resources and Development Corporation	LBRDC	622,766,054	637,959,911	91,726,177	68,989,947	531,039,877
7.	Philippine Postal Savings Bank, Inc.	POSTBANK	11,597,968,291	9,144,483,589	10,616,200,865	8,302,481,830	981,767,426
Non Banking Institutions		326,295,584,151	349,857,658,445	151,578,316,876	162,094,637,239	183,878,437,671	187,763,021,506
8.	Credit Information Corporation	CIC	164,217,859	168,947,185	3,370,774	24,267,745	160,847,085
9.	DBP Leasing Corporation	DBP-LC	2,330,251,040	2,669,991,588	1,288,654,949	1,565,595,727	1,041,596,091
10.	Home Guaranty Corporation	HGC	34,046,786,091	33,728,953,073	17,992,823,328	25,363,348,490	25,215,133,159
11.	LBP Insurance Brokerage, Inc.	LIBI	1,244,325,214	1,257,713,034	294,206,400	267,312,951	950,118,814
12.	LBP Leasing and Finance Corporation	LBP-LFC	3,975,229,190	4,298,336,103	2,556,400,403	2,817,186,513	1,418,828,787
13.	Masaganang Sakahan, Inc.	MSI	216,332,723	221,570,813	70,738,244	62,076,868	145,594,479
14.	National Development Company	NDC	16,269,868,886	17,842,675,628	4,512,412,052	3,227,019,507	11,757,456,834
15.	National Home Mortgage Finance Corporation	NHMFC	43,038,004,704	37,977,847,017	38,059,155,131	35,082,180,571	4,978,849,573
16.	Philippine Crop Insurance Corporation	PCIC	2,872,967,926	4,956,199,684	1,312,620,440	3,239,323,592	1,560,347,486
17.	Philippine Deposit Insurance Corporation	PDIC	194,983,104,463	214,857,090,000	65,028,007,602	67,706,900,000	129,955,096,861
18.	Small Business Corporation	SBC	4,889,156,772	6,489,861,777	2,750,330,793	3,626,208,337	2,138,825,979
19.	Social Housing Finance Corporation	SHFC	20,520,957,971	23,221,166,266	16,351,978,042	17,706,716,177	4,168,979,929
20.	Trade and Investment Development Corporation of the Philippines (also known as TIDCORP)	PHILEXIM	1,744,381,312	2,167,306,278	1,357,618,718	1,406,500,761	386,762,594
Social Security Institutions		2,090,594,358,706	2,248,425,270,355	145,913,222,898	159,252,897,436	1,944,681,135,808	2,089,172,372,918
21.	Employees Compensation Commission	ECC	484,996,240	474,429,332	43,507,808	50,119,746	441,488,432
22.	Government Service Insurance System	GSIS	1,011,828,583,936	1,102,520,203,514	23,162,120,600	19,212,584,893	988,666,463,336
23.	Home Development Mutual Fund	Pag-IBIG	439,301,628,293	488,744,520,239	55,319,331,198	57,211,526,761	383,982,297,095
24.	Philippine Health Insurance Corporation	PHILHEALTH	162,582,664,958	151,820,634,167	55,411,924,948	70,000,623,531	107,170,740,010
25.	Social Security System	SSS	476,396,485,279	504,865,483,103	11,976,338,344	12,778,042,505	464,420,146,935

(In Philippine Peso)

GOCCs by SECTOR		ASSETS			LIABILITIES			NET WORTH	
		F.Y. 2016	F.Y. 2017	F.Y. 2016	F.Y. 2016	F.Y. 2017	F.Y. 2016	F.Y. 2016	F.Y. 2017
II. TRADE, AREA DEVELOPMENT AND TOURISM SECTOR									
Trade		14,761,975,087	24,339,620,505	13,819,923,169	23,267,346,906		942,051,918	1,072,273,599	
26. Center for International Trade Expositions and Missions	CITEM	531,978,590	575,321,410	92,291,320	103,351,811		439,687,270	471,969,598	
27. Duty Free Philippines Corporation	DFPC	2,829,568,826	3,385,273,658	2,254,283,120	2,769,167,971		575,285,706	616,105,687	
28. Philippine International Trading Corporation	PITC	11,232,240,154	20,194,689,239	10,953,407,123	19,822,898,402		278,833,031	371,790,838	
29. PITC Pharma, Inc.	PPPI	168,187,517	184,336,198	519,941,606	571,928,722		(351,754,089)	(387,592,524)	
Area Development		300,991,783,809	339,751,257,298	71,335,680,488	78,976,605,620		229,656,103,321	260,774,651,678	
30. Bases Conversion Development Authority	BCDA	128,115,022,088	159,449,456,029	37,311,166,654	38,392,636,927		90,803,855,434	121,056,819,102	
31. Clark Development Corporation	CDC	6,520,212,108	7,357,260,478	2,784,078,213	3,156,776,901		3,736,133,895	4,200,483,577	
32. John Hay Management Corporation	JHMC	214,275,105	231,981,175	55,792,328	51,792,123		158,482,776	180,189,052	
33. Laguna Lake Development Authority	LLDA	826,663,022	865,800,567	212,916,670	203,233,826		613,746,352	662,566,741	
34. National Housing Authority	NHA	117,443,308,467	136,201,546,527	16,516,363,290	17,104,967,130		100,926,945,177	119,096,579,396	
35. Palacio Del Gobernador Condominium Corporation	PDGCC	36,538,856	39,297,320	5,078,268	4,410,403		31,460,588	34,886,917	
36. Partido Development Administration	PDA	464,655,191	447,662,784	1,128,140,446	1,112,814,537		(663,485,255)	(665,151,752)	
37. Philippine Reclamation Authority (Formerly PEA)	PRA	29,703,298,651	14,411,606,308	11,104,253,246	12,846,083,797		18,599,045,405	1,565,522,511	
38. Poro Point Management Corporation	PPMC	174,789,342	186,070,934	92,056,739	96,323,846		82,732,603	89,747,088	
39. Quezon City Development Authority	QCDA	-	-	-	-		-	-	
40. Tourism Infrastructure & Enterprise Zone Authority (formerly PTA)	TIEZA	17,493,020,979	20,560,575,177	2,125,834,634	6,007,566,131		15,367,186,345	14,553,009,047	
Tourism		13,665,574,545	15,776,341,448	11,828,059,085	13,543,880,825		1,837,515,460	2,232,460,623	
41. Corregidor Foundation, Inc.	CFI	-	-	-	-		-	-	
42. Marawi Resort Hotel, Inc.	MRHI	-	-	-	-		-	-	
43. Philippine Retirement Authority	PRetA	11,949,641,370	14,411,606,308	10,571,717,204	12,846,083,797		1,377,924,166	1,565,522,511	
44. Tourism Promotions Board (formerly PCVC)	TPB	1,715,933,175	1,364,735,140	1,256,341,881	697,797,028		459,591,294	666,938,112	

(In Philippine Peso)

GOCCs by SECTOR		ASSETS		LIABILITIES		NET WORTH	
		F.Y. 2016	F.Y. 2017	F.Y. 2016	F.Y. 2017	F.Y. 2016	F.Y. 2017
III. EDUCATIONAL AND CULTURAL SECTOR							
Educational		2,806,526,470	3,743,727,480	797,972,497	972,541,131	2,008,553,973	2,771,186,349
45. Development Academy of the Philippines	DAP	797,458,272	1,075,612,432	505,987,339	651,523,594	291,470,933	424,088,838
46. Girl Scouts of the Philippines	GSP	797,458,272	1,075,612,432	505,987,339	651,523,594	291,470,933	424,088,838
Philippine Tax Academy	PTA	-	-	-	-	-	-
Cultural		2,009,068,198	2,668,115,048	291,985,158	321,017,537	1,717,083,040	2,347,097,511
47. Cultural Center of the Philippines	CCP	2,009,068,198	2,668,115,048	291,985,158	321,017,537	1,717,083,040	2,347,097,511
IV. GAMING SECTOR		50,175,715,499	61,176,826,193	33,056,601,168	38,153,007,999	17,119,114,331	23,023,818,194
48. Philippine Amusement and Gaming Corporation	PACOR	34,256,879,913	38,618,004,112	20,752,067,280	22,791,134,961	13,504,812,633	15,826,869,151
49. Philippine Charity Sweepstakes Office	PCSO	15,918,835,586	22,558,822,081	12,304,533,888	15,361,873,038	3,614,301,698	7,196,949,043
V. ENERGY AND MATERIALS SECTOR		1,271,356,759,159	1,231,037,940,713	920,743,928,312	969,311,703,957	350,612,830,847	261,726,236,756
Energy		1,270,466,657,485	1,230,126,463,553	920,286,521,711	968,792,131,251	350,180,135,774	261,334,332,302
50. National Electrification Administration	NEA	27,038,800,937	23,813,663,741	32,033,518,603	28,549,014,153	(4,994,717,666)	(4,735,350,412)
51. National Power Corporation	NPC	43,865,692,689	48,500,794,229	13,890,544,745	18,608,596,221	29,975,147,944	29,892,198,008
52. National Transmission Corporation	TRANSCO	346,939,803,243	310,778,061,600	145,233,825,534	158,693,951,076	201,705,977,709	152,084,110,524
53. Philippine National Oil Company	PNOC	40,533,947,390	40,666,603,168	3,486,693,667	3,555,590,524	37,047,253,723	37,111,012,644
Power Sector Assets and Liabilities Management Corporation	PSALM	795,167,523,182	788,811,949,588	722,573,847,981	756,279,996,054	72,593,675,201	32,531,953,534
55. PNOC Exploration Corporation	PNOC-EC	15,870,835,069	16,541,901,015	2,970,772,711	2,996,005,554	12,900,062,358	13,545,895,461
56. PNOC Renewables Corporation	PNOC-RC	1,050,054,975	1,013,490,212	97,318,470	108,977,669	952,736,505	904,512,543
57. Philippine Electricity Market Corporation	PEMC	-	-	-	-	-	-
Materials		890,101,674	911,477,160	457,406,601	519,572,706	432,695,073	391,904,454
58. Batong Buhay Gold Mines, Inc.	BBGMI	-	-	-	-	-	-
59. Natural Resources Development Corporation	NRDC	444,038,195	486,480,946	306,684,914	374,092,485	137,353,281	112,388,461
60. National Davao Mining Corporation	NDMC	-	-	-	-	-	-
61. Philippine Mining Development Corporation (formerly NRMDC)	PMDC	446,063,479	424,996,214	150,721,687	145,480,221	295,341,792	279,515,993

(In Philippine Peso)

GOCCs by SECTOR		ASSETS		LIABILITIES		NET WORTH	
		F.Y. 2016	F.Y. 2017	F.Y. 2016	F.Y. 2017	F.Y. 2016	F.Y. 2017
VI. AGRICULTURE, FISHERIES AND FOOD SECTOR		52,996,718,368	348,362,994,098	178,379,291,621	477,660,518,623	(125,382,573,253)	(129,297,524,526)
<i>Agriculture and Fisheries</i>		45,333,545,091	339,390,920,346	177,371,805,428	475,682,254,043	(131,978,260,337)	(136,291,333,697)
62.	National Dairy Authority	1,460,613,173	1,373,364,522	194,017,764	194,388,598	1,266,595,409	1,178,975,924
63.	National Food Authority	30,984,124,564	323,440,350,000	172,224,708,750	470,210,140,000	(141,240,584,186)	(146,769,790,000)
64.	National Tobacco Administration	1,496,415,792	1,729,965,601	198,718,894	176,049,014	1,297,696,898	1,553,916,587
65.	Philippine Coconut Authority	6,083,069,425	5,665,816,446	1,757,761,774	2,923,352,535	4,325,307,651	2,742,463,911
66.	Philippine Fisheries Development Authority	2,489,630,461	3,412,627,650	2,421,321,818	2,044,074,128	68,308,643	1,368,553,521
67.	Philippine Sugar Corporation	1,521,216,221	1,294,612,817	420,890,504	45,545,108	1,100,325,717	1,249,067,709
68.	PhiWidex Panay Agro-Industrial Corp.	-	-	-	-	-	-
69.	Sugar Regulatory Administration	1,298,475,455	2,474,183,310	94,385,924	88,704,659	1,204,089,531	2,385,478,651
Food		7,663,173,277	8,972,073,752	1,067,486,193	1,978,264,581	6,595,687,084	6,993,809,171
70.	Food Terminal, Inc. (PMO)	7,406,929,631	8,737,119,327	283,191,450	1,161,694,254	7,123,738,181	7,575,425,073
71.	National Sugar Development Company (PMO)	-	-	-	-	-	-
72.	Northern Foods Corporation	256,243,646	234,954,425	784,294,743	816,570,327	(528,051,097)	(581,615,902)
VII. UTILITIES AND COMMUNICATIONS SECTOR		791,700,124,371	727,910,528,111	311,890,988,760	306,110,330,257	479,809,135,611	421,800,197,853
<i>Utilities</i>		776,494,768,125	713,417,002,561	303,842,071,804	298,990,146,634	472,652,696,321	414,426,855,927
73.	Cebu Port Authority	6,574,211,607	6,964,872,352	564,756,939	622,015,008	6,009,454,668	6,342,857,344
74.	Civil Aviation Authority of the Philippines	32,104,307,204	83,050,977,103	7,471,256,910	4,627,970,727	24,633,050,294	78,423,006,376
75.	Clark International Airport Corporation	2,762,468,707	3,117,986,800	2,712,790,138	2,512,393,944	49,678,569	605,592,856
76.	Light Rail Transit Authority	69,428,413,446	67,846,242,836	66,244,732,470	67,880,329,691	3,183,680,976	(34,086,855)
77.	Local Water Utilities Administration	16,292,702,956	15,480,660,927	8,233,764,470	7,556,245,971	8,058,938,486	7,924,414,956
78.	Mactan-Cebu International Airport Authority	12,568,812,867	13,066,724,449	437,368,935	903,888,916	12,131,443,932	12,162,835,533
79.	Manila International Airport Authority	44,043,808,789	54,648,948,797	11,963,062,256	10,716,995,936	32,080,746,533	43,931,952,861
80.	Metropolitan Waterworks and Sewerage System- Corporate Office	58,171,437,051	57,788,616,454	13,169,867,416	12,554,746,193	45,001,569,635	45,233,870,261
Metropolitan Waterworks and Sewerage System- Regulatory Office		-	-	-	-	-	-
81.	National Irrigation Administration	324,978,811,498	188,952,049,383	120,602,977,542	117,262,080,615	204,375,833,956	71,689,968,768
82.	North Luzon Railway Corporation	21,540,662,877	20,457,546,066	22,465,447,402	21,794,350,377	(924,784,525)	(1,336,804,311)
83.	Philippine Aerospace Development Corporation	135,877,571	158,235,099	33,906,126	47,289,474	101,971,445	110,945,625
84.	Philippine National Construction Corporation (PMO)	13,530,532,861	17,804,665,208	12,677,199,178	13,980,305,710	853,333,683	3,824,359,498

(In Philippine Peso)

GOCCs by SECTOR		ASSETS		LIABILITIES		NET WORTH	
		F.Y. 2016	F.Y. 2017	F.Y. 2016	F.Y. 2017	F.Y. 2016	F.Y. 2017
VII. UTILITIES AND COMMUNICATIONS SECTOR		791,700,124,371	727,910,528,111	311,890,988,760	306,110,330,257	479,809,135,611	421,800,197,853
85. Philippine National Railways	PNR	52,617,152,883	52,484,152,010	27,386,514,052	28,024,989,196	25,230,638,831	24,459,162,814
86. Philippine Ports Authority	PPA	121,745,567,808	131,595,325,077	9,878,427,970	10,506,544,876	111,867,139,838	121,088,780,201
Communications		15,205,356,246	14,493,525,550	8,048,916,956	7,120,183,623	7,156,439,290	7,373,341,926
87. APO Production Unit, Inc.	APU+PUI	1,031,593,063	1,054,898,664	941,376,958	864,185,231	90,216,105	190,713,433
88. People's Television Network, Inc.	PTNI	2,537,124,460	2,543,556,855	740,290,594	667,485,106	1,796,833,866	1,876,071,748
89. Philippine Postal Corporation	PHLPOST	11,636,638,723	10,895,070,031	6,367,249,404	5,588,513,286	5,269,389,319	5,306,556,745
VIII. HEALTHCARE SERVICES SECTOR							
90. La Union Medical Center	LUMC	-	-	-	-	-	-
VIII. REALTY/HOLDING COMPANIES		188,650,272	173,520,842	45,682,111	35,052,937	142,968,161	138,467,905
91. Batangas Land Company, Inc.	BLCI	60,382,543	60,031,314	15,036,210	14,991,265	45,346,333	45,040,049
92. First Cavite Industrial Estate, Inc.	FCIEI	6,371,604	5,668,707	13,122,449	12,786,422	(6,750,845)	(7,117,715)
93. G.Y. Real Estate, Inc.	GYREI	94,374,623	62,471,071	9,623,766	2,392,935	84,750,857	60,078,136
94. Kamayan Realty Corporation	KRC	22,951,056	40,829,067	7,785,051	4,697,155	15,166,005	36,131,912
95. Pinagkaisa Realty Corporation	PIRC	4,570,446	4,520,683	114,635	185,160	4,455,811	4,335,523
96. ASC Investors, Inc.							
97. ARC Investors, Inc.							
98. Anglo Ventures, Corp.							
99. Fernandez Holdings, Inc.							
100. First Meridian development, Inc.							
101. Randy Allied Ventures, Inc.							
102. Rock Steel Resources, Inc.							
103. Roxas Shares, Inc.							
104. San Miguel Officers Corp, Inc.							
105. Te Deum Resources, Inc.							
106. Toda Holdings, Inc.							
107. Soriano Shares, Inc.							
108. Valhalla Properties, Inc.							

GOVERNANCE COMMISSION FOR GOCCS

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